Daily Report

Latin America

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FBIS-LAT-95-105 *1 June 1995*

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Free-Trade Zone Creation 'Difficulties' Noted

PY3105231595 Sao Paulo AGENCIA ESTADO in Portuguese 2350 GMT 30 May 95

[Article by Vladimir Goitia]

[FBIS Translated Text] Sao Paulo, 30 May (AE) — Just one month before the expiration of the bilateral economic supplementation agreements signed by Latin American Integration Association (LAIA) and Mercosur [Common Market of the South] countries, negotiations over the creation of a free-trade zone between the two blocs are gaining momentum. Negotiations, however, face the risk of failure.

Paraguayan Integration Minister Hugo Saguier Caballero, who at the beginning of the week attended a Common Market Group (GMC) meeting in Asuncion, said negotiations over creation of a free-trade zone with LAIA countries are very difficult because of an impasse on the list of sensitive products in the economy of the two blocs.

LAIA countries consider the Mercosur list of exceptions (Brazil has 450 products; Argentina, 300; Paraguay, 399; and Uruguay, 399) is too long and that it hinders negotiations over the creation of a free-trade zone by the two regions. LAIA and Mercosur would find it even more difficult to agree following the approval of a Paraguayan demand for an additional list of 150 new products, like the one approved for Brazil less than two months ago.

Saguier Caballero said the Paraguayan Government has delayed its petition for a new list until the end of June. Even though other partners have noted that Paraguay does not face the trade balance difficulties being faced by Brazil, Saguier Caballero told AGENCIA ESTADO that the prices of several Brazilian and Argentine products essential for Paraguay have been increased.

Saguier Caballero said: "That is why we must import those products from countries outside Mercosur" He added that although Paraguay faces other difficulties, the most sensitive sectors of Paraguayan industry need safeguards. He said: "We only want the principle of solidarity to be considered."

If no consensus is reached, bilateral agreements (commercial preferences) between Mercosur and LAIA members will have to be extended at least until the end of the year. As of July, however, commercial negotiations with any country outside Mercosur will have to be made in bloc (four plus one), for which reason Chile, Bolivia, and Venezuela want to accelerate the creation of a free-trade zone with Mercosur. The Chilean proposal, for example, includes a broad agreement covering energy, services, and the financial sectors.

Concerning Chile, there is another problem over import tariff differences. While the Chilean top tariff is 11-percent, Mercosur countries have tariffs ranging from zero to 20 percent — far from the expectations of Chilean President Eduardo Frei's government.

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Cuba

Station Highlights Significance of Special U.S. Adviser

PA3105180395 Havana Radio Havana Cuba in Spanish 0000 GMT 30 May 95

[Commentary by Norberto Hernandez Valdez from the "Evening Information Review" newscast]

[FBIS Translated Text] Although President Clinton and other U.S. authorities have stated that they mean to continue the pressure policy against Cuba, buttressed by Washington's economic blockade for the past 33 years, it is evident that the policy is entering a moment of crisis. The recent appointment of a special presidential adviser for issues related to Cuba is an important cue in this respect.

The government in Washington, despite its immense power and influence in the world community, has been unable to get international support for its blockade against Cuba. Far from getting this support, the rejection to the U.S. policy against Cuba at the UN General Assembly is increasingly conspicuous. Last year, 101 countries voted against the blockade against Cuba and only the United States and Israel voted in favor.

You can surmise how much the international community rejects a measure, such as the economic blockade — which could be used against other countries — if you also consider the number of countries that abstained. They abstained because their governments did not want to vote in favor, but did not want problems with Washington, or did not attend the UN sessions. The freedom to trade would be seriously impaired if the United Nations would lend itself to such an arbitrariness.

While this is occurring at the General Assembly, world personalities and political and private institutions are increasingly and publicly stating their rejection to the blockade, and demanding that the United States and Cuba have normal relations. The recent bilateral agreements have placed the migration issue in its just dimension and have been a first step in the direction of regularizing the relations between Washington and Havana.

To be fair, we have to recall that the irregular and tense situation that prevailed between the two countries for more than 30 years, due to the illegal emigration of Cubans to the United States — basically for economic reasons — was prompted by laws such as the Cuban adjustment law that gave special considerations to those illegal emigrants. All what the illegal emigrants had to do was to state that they opposed the Cuban revolutionary government and they would be admitted and helped to settle in the United States, even if this was untrue.

The migration problem has entered a phase that will lead to its definite solution because this law, which dates back to the 1960's, was eliminated and because both governments adopted a firm stand to end the illegal emigration.

This agreement was rejected by the ultrarightist Cuban emigrants in the state of Florida who expressed their opposition in public protests held in the city of Miami. In contrast to this, however, the agreement received the tacit approval of the majority of the U.S. public opinion.

The agreement, undoubtedly, has marked the U.S. Government's rift from the extremist Cuban emigrants and a positive step towards the normalization of the relations between both countries. The appointment of the new presidential adviser for Cuban-related issues indicates that greater care is being taken in this respect and this is a positive sign.

Caymans Ship 49 Rafters to Guantanamo, Close 'Tent City'

FL3105194995 Bridgetown CANA in English 1848 GMT 31 May 95

[FBIS Transcribed Text] George Town, Grand Cayman, May 31, CANA — The final chapter in an immigration nightmare that began nearly 10 months ago for the Cayman Islands occurred Tuesday afternoon as the last of nearly 1,200 Cuban refugees left Grand Cayman. Forty-nine Cuban refugees flew to the U.S. camp at Guantanamo Bay, Cuba, where they will be able to apply for legal entry into the U.S.

Government officials said it was the last charter flight for Cubans to transfer to Guantanamo. The airlift of the 1,184 Cuban rafters that had reached the Cayman Islands last August began in January after a U.S.-UK-Cayman agreement to take the Cubans to Guantanamo. As part of the arrangement, however, the Cayman government had to agree to pay the Americans U.S.10 per Cuban per day until they are released into the U.S.

A total of 870 Cubans have now been sent to Guantanamo said Chief Immigration Officer Gerry Maguire. Maguire said that following the departure of the 49 Cubans, 24 still remained in the Caymans.

Of those, two are awaiting visa papers to Spain and seven have opted to voluntarily return to Cuba and two have appealed their denial of political asylum.

The remaining 13 have indicated they do not want to go to Guantanamo, but have few options left. "They can either go back to Cuba or return to their boats,"

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said Maguire, "but they're not going to be allowed to stay in the Cayman Islands." He did not give a final date for the Cubans to make a decision, but indicated it would be "sooner," rather than later.

Some officials suspect the remaining Cubans, all single males, have criminal records in Cuba and would not be allowed into the U.S. Maguire declined to comment on that prospect. "I honestly don't know why they haven't gone. They should now know there is no chance they can stay in the Caymans." The Cubans have twice been denied political asylum in the Caymans, he said.

Maguire said the Tent City refugee camp that once housed 1184 Cubans will be closed down this week and the remaining Cubans transferred to the island's territorial prison for internment. "This is essentially the end of Tent City. We will wind it down this week and dismiss the security force."

"It's just about over," added Tony Bates of the governor's office on the Cuban refugee crisis that began in August 1994 with the arrival of nearly 1,200 Cuban rafters seeking political asylum. Of those, only 43 were given asylum. The rest of the Cubans have either gone to Guantanamo, left by their boats for other destinations, returned to Cuba or reached U.S. shores.

In September 1994, Tent City had 1,184 Cuban asylum seekers in residence. While no official figures have yet been released, cost of Tent City and the care and transportation of all Cubans is expected to exceed U.S. 7 million by the time Tent City closes as a refugee camp.

Known primarily as an offshore financial centre and Caribbean tourist destination, the Cayman Islands are located about 150 miles south of Cuba and 125 miles west of Jamaica. The territorial population is approximately 30,000 people and the annual budget is only around U.S.200 million.

Open Agenda Panel Discusses Helms-Burton Bill

FL0106002995

[FBIS Editorial Report] Havana Cuba Vision Network in Spanish at 0100 on 31 May 95 carries its 27-minute regularly scheduled Open Agenda program with host Antonio Resillez, and guests Esteban Morales, director of the Center for American Studies, and Antonio Romero from the International Economy Research Center, both from the University of Havana.

Resillez introduces the subject: A broad perspective on the Helms-Burton bill; and as asks Romero for an update. Morales states that the bill has already been discussed by several congressional subcommittees and that it is expected to go to vote before Congress adjourns for the summer. Regarding public opinion in the United States, Morales states that the bill has exacerbated the debate among supporters and detractors of the blockade, as well as annoying many U.S. allies.

Resillez asks about President Clinton's appointment of an adviser on Cuban affairs. Morales states: "I do believe this has to do with the way the president, lately — following the immigration accord of last September and May of this year — has been trying to handle the issue of policy toward Cuba. The fact that the president wants to have an adviser to distill Cuban policy problems for him, to be a coordinator, and report directly problems in the handling of Cuba, I believe should be seen as something positive." Morales adds the adviser is a scholar who already had responsibilities in government as adviser to the State Department's deputy secretary for Latin American affairs, and "contrary to other people in the State Department, who were illiterate about Cuba, this man is familiar with Cuba, and we can expect he will handle the Cuban issue more knowledgeably." Morales and Resillez never mention the adviser's name.

Resillez introduces a live telephone interview with Max Azicri, political science professor at Edinboro State University, Pennsylvania. Azicri, in perfect Spanish, states the bill is anti- Cuban and anti-American and "acknowledges the failure of the Torricelli Law, and that the Cuban Revolution has survived all attacks to date, therefore they are heightening the aggressions and thus hurt even America's interests." Regarding the appointment of an adviser on Cuba, Azicri states that "the creation of this post represents a reexamination and change in the policy toward Cuba. I believe we can expect to see shortly the suspension of the punitive measures issued last August." He adds that it seems that Clinton has dismissed the vote of the Cuban-Americans in Florida, and this gives him a margin of freedom regarding Cuba. He has said if the Helms bill is approved he will have to veto it; he cannot support that law, no president can endorse that law." Azicri concludes by congratulating the Cuban people for their resistance of the Torricelli Law.

Next, Romero talks the effect of the Helms-Burton bill on current international accords such as General Accord on Tariffs and Trade and the World Trade Organization. Romero states the bill is contrary to many clauses in these accords, and that U.S. media has issued many alert calls to this regard. Romero goes on to point out that the bill seeks reprisals against countries doing business with Cuba and that studies state the blockade has cost the United States between $15 and $30 billion, and many in the U.S. business sector are upset by that cost and losses such as this. He adds that "representatives from over 170 U.S. companies have shown interest in investing in

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Cuba and several dozen letters of intention have been signed."

Next, Resillez introduces a video interview with Julio Carranza, deputy director of the Center for American Studies. Carranza states the bill seeks "to intensify the difficulties for the Cuban economy and in turn transform the economic crisis into a political crisis, making things hard for the Revolution". Carranza points out the bill contemplates measures against products containing Cuban sugar, and against foreign investors, as well as pressuring Russia to lessen its level of relations with Cuba, since Russia is Cuba's main supplier of fuel and a partner in the construction of Juragua's nuclear plant. Carranza states that Cuba's main weapon is its people's capability to resist and come up with solutions.

Resillez, Morales, and Romero conclude by pointing out that most major U.S. media outlets express views contrary to the blockade and have brought the discussion of Cuba outside the narrow confines of South Florida.

Resillez closes the program by stressing that "today's program was titled Goliath at the Crossroad since Cuba is David and as David it knows how to use its sling."

Report on Bill Proposed by Senator Helms, Burton

PA0106041795 Havana PRENSA LATINA in Spanish 1452 GMT 31 May 95

[By Angel E. Pino]

[FBIS Translated Text] Havana, 31 May (PL) — Congressmen Jesse Helms and Dan Burton now have, as Robert Torricelli did in the past, the dubious honor of being, probably, the best known and most repudiated U.S. politicians of the century in Cuba.

Not since when U.S. Senator Hitchcock Platt had the U.S. Congress approve the controversial amendment in 1889 that imposed on Cuba the indefinite occupation of the Guantanamo Naval Base had a U.S. figure received as much notice here as Helms and Burton have.

North Carolina Senator Helms and Indiana Representative Burton are promoting in the Capitol an amendment with a view to further tightening and internationalizing the blockade imposed by the United States on Cuba more than three decades ago.

Their names come up repeatedly every day at hundreds of meetings, conferences, audiences, repudiation rallies, and in street talk throughout the country.

The amendment is being analyzed and discussed in Cuban schools, libraries, factories, offices, farms, cooperatives, and other work centers and in media news services and commentary programs that generally point out what a return to the past would mean for Cuba.

A surprised ABC News correspondent visiting the island has told PRENSA LATINA that neither of the two U.S. congressmen "is as popular and as well-known in their own electoral states."

The severe provisions of the legislative bill would force a post revolution government to either return to thousands of Cuban- Americans the property they lost in Cuba or to pay them indemnities for it, even if they were not U.S. citizens at the time of the confiscation.

This measure would affect millions of Cubans who benefited from revolutionary laws that either collectivized production means or expropriated ill acquired property of officials from the overthrown Batista regime who abandoned the country in 1959.

Taking as a basis the country's total available revenue this past year, it would take Cuba 50 years to pay the debt, which State Department officials estimate at approximately $100 million.

Foreseeing the terrible consequences the so-called Helms bill would have on this and future generations, as happened almost a century ago with the Platt Amendment, the Cuban authorities have waged an intense national campaign to caution and prepare the people.

Ricardo Alarcon, president of the National Assembly, said at a conference recently that "today's Cubans have only two options: to defend the revolution to the death or to return to a past worse than that of 1959."

Alarcon, who is also a member of the Politburo of the Communist Party of Cuba, thanked the two U.S. congressmen "for helping us to better understand, through this monstrosity, the truth."

Cuba is facing an acute economic crisis as a result of having lost more than 80 percent of its exports as well as its main supply sources as a result of the collapse of the socialist bloc and the vanishing of the Soviet Union, its main trade partners.

As a result of these dramatic events, the Cuban authorities have initiated structural changes.

Raul Castro Heads Meeting on Turquino-Manati Program

FL0106013695 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 1 Jun 95

[FBIS Translated Text] A report on the current status of the Turquino-Manati program was presented by the national commission in charge of this program during a meeting headed by Army General Raul Castro, second secretary of the Central Committee. The report

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is the result of numerous inspection visits to the mountainous regions throughout Cuba. The debate on the report focused on finding solutions to subjective problems regardless of the limitations imposed by the special period. The meeting, which was attended by members of the Politburo, ministers, party secretaries, and presidents of the people's government from the provinces with mountainous regions, in addition to the chiefs of the three regional armies, included an analysis of efforts seeking to increase yields in coffee, cocoa, and coconuts; to improve the quality of education and health of the people in the mountain regions; to increase production of tubers and vegetables; and to promote tourism. Other issues discussed include the forestry program, the survival of every seedling planted, the care of forests and soils, and strengthening the fight against crime.

It was announced that next year, the state expects to be able to allocate more resources to the mountainous regions, including fertilizers for selected areas, clothing, shoes, and work tools. Every state body should propose in the next few days specific measures to promote the development of this mountainous region program and contribute to the well-being and improvement of the lives of the population.

[In addition to Raul Castro, video shows: Carlos Lage, Alfredo Jordan, Ricardo Alarcon, and Ulises Rosales del Toro]

Agreement With Spain Sets Stage for Economic Cooperation

FL3105203395 Havana Radio Rebelde Network in Spanish 1700 GMT 31 May 95

[FBIS Translated Text] Cuba and the Spanish Catalonia region signed an agreement that lays the foundation for information exchange and reciprocal visits by businessmen aimed at increasing bilateral cooperation. The agreement was signed by Carlos Martinez Salsamendi, Cuban Chamber of Commerce president, and Antoni Negri, president of the Chamber of Commerce of Barcelona. After the ceremony over 100 Catalonian businessmen conversed with Martinez at the labor promotion office headquarters, and expressed their interest in the steps Cuba is undertaking towards economic opening. Martinez also met with directors of Spanish banks and leaders of the Catalonian trade promotion consortium. Martinez' stay in Barcelona ended with a friendly meeting on Cuban-Catalonian relations with executives from the University of Barcelona International Economy Center and representatives from local industries .

Commentary Recognizes Need for Economic Controls

PA3105180095 Havana Radio Havana Cuba in Spanish 0000 GMT 30 May 95

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[FBIS Translated Text] Prior to the economic crisis, Cubans did not give economic controls much thought, perhaps because resources were more easily available due to the close relations Cuba had with the former socialist bloc.

When the socialist bloc disappeared and after feeling more the effects of a renewed U.S. blockade, material goods became dramatically scarce. The availability of foreign currency reached an all-time low and Cubans were forced to become aware of the importance of saving and controlling.

There is still a long way to go to stop waste of the little that is made through the island's shops. But even so, the economists' battle for controls and efficiency begins to earn discrete recognition, a first stage into a fairer appraisal of its worth.

It is within this unique context that the National Auditing Office has been founded, under the Cuban Ministry of Finance and Prices, and entrusted with carrying out financial controls to national enterprises and joint ventures, cooperatives, and economic organizations that maintain relations with the Cuban state.

In view of the country's gradual economic changes, where market elements and different types of property elements are introduced without renouncing to state property, it becomes even more necessary to efficiently administer resources, and this is the task of the new National Auditing Office. This office is entrusted with these controls, but at the same time it must encourage saving and good use of the resources placed in the hands of officials and workers.

Cuban authorities insist that the current crisis can be overcome only if the most rigorous policies of economic rationalization prevail, with each worker or administrator learning to get the most out of every penny, and provided expenses and cost accounts are handled scrupulously,

In the current stage, the thousands of Cuban-trained economists and technicians are called to play a more significant role following a period when their suggestions were undervalued by entrepreneurs and officials. Tasks such as those carried out by auditors at all levels of state and joint structures, will contribute to reorient the Cuban economy and help it find its niche in a world

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dominated by capitalism, with which the island must interrelate without renouncing to its particular strategy.

Straight Talk on Worker Incentives, Salaries

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[FBIS Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 31 May 95 carries its "Straight Talk" program with Host Osvaldo Rodriguez and guest Eddy Jimenez. Rodriguez opens the program by stating the theme "workers incentives, and, I would go on to say, the need to apply the formula: to each worker according to his effort." Jimenez begins by saying he would first like to address the well-discussed issue of incentives awarded to certain outstanding workers to visit restaurants. He recounts a personal experience, describing a recent meal in a restaurant as a result of an incentive awarded to his wife for achieving vanguard status. Jimenez complains about the establishment's "prohibitive prices" — noting the restaurant was not a place for workers earning 100 and some pesos — and states that "the food was cold, the portions small, there was no dessert, and only one drink choice." Jimenez surmises that perhaps it was just his bad luck to go there on a bad day for the restaurant, but reaffirms that the quality and quantity were very poor in light of the high cost.

Rodriguez asks him if he complained. Jimenez replies that he had complained but they refused to lower the price, and told him to "take it or leave it." Rodriguez criticizes this type of restaurant management and says that the restaurant should treat both incentive award bearers and regular customers the same. Rodriguez notes that the issue has already been discussed on "Straight Talk" with Renato Recio and Eloy Concepcion, who pointed out that it had become a deterrent rather than an incentive to workers. Rodriguez states that in certain places some of the restaurant incentives are returned because "they are out of everyone's reach, so they are not an incentive, they are returned because no one can afford to go". Jimenez concurs saying that he knows of work centers where workers are not interested in these incentives because the workers cannot afford the expensive restaurants, and because they know the service is very bad.

Jimenez goes on to describe a situation in which a comrade went to a restaurant to use her incentive award and was told she had to pay in dollars, and questions the logic of an incentive that must be paid for in dollars by a worker who earns pesos. Rodriguez replies that this practice seems to be localized to Havana City and notes that if the Cuban Workers Federation plans to continue using this type of incentive they must make a deal with restaurants to discount meals to make them effective incentives, such as the free beach vacation incentives given to national vanguards. He adds that the incentive in this case is access to the restaurant.

Jimenez then states that "the best incentive that could be given to a worker today is to be able to obtain greater earnings from the fruits of his labor; that is, that the salary he receives be commensurate with the effort he expends, leaving behind the time when he could not go to a restaurant because he could not afford it, a time where he could not find things to spend his disposable income on. It is a way in which he could acquire or consume something difficult to obtain by the rest of the workers who had not worked so hard". Jimenez stresses that outstanding worker efforts need to be rewarded with money, that they be "recognized from not only the moral viewpoint but also from the material viewpoint," and adds that while it is true that the incentive gives access to the restaurant, if the outstanding worker cannot be given a raise, he should at least be able to buy his meal at a discount.

Rodriguez replies that Jimenez seems to be calling for a return to the recently discarded socialist model "each individual earns according to his effort", and adds that in order to encourage workers the socialist model should be applied in conjunction with other secondary incentives. He concurs that the primary incentive is salary, and the awards and the right to access certain places are secondary, adding "a man has two types of hunger, he must eat but he must also feed his spirit."

Jimenez notes that there are certain sectors where workers have the opportunity to obtain imported products, and others should be given the opportunity to purchase those products at a discount as a way of augmenting their salaries. Rodriguez replies that the need to recover excess circulation and to generally reduce money in circulation makes the issue being discussed "almost a sin for some people" because removing money from circulation means higher prices. Jimenez states that it is a greater sin to charge both those who work hard and those who do not high prices. Rodriguez acknowledges the "huge difference between salaried workers and those who have various means of earning, whether they have a business, or are self employed, or they receive remittances from abroad." Jimenez interrupts saying "or the worst — illicit earnings, and sometimes they are the ones who live the best."

Jimenez states that each sector must creatively resolve the issue, noting the need for different incentives for a worker and a doctor or health professional. He proposes creating pleasant, clean sleeping rooms for doctors who work 24 hour shifts. He reiterates that the incentives

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must be material and some workers' salaries must be increased.

On that note, Rodriguez interjects that the work rosters must be reduced to effect efficient use of manpower first. Jimenez agrees and notes process is underway, but that seeking solutions cannot wait until the process is compete. Rodriguez says that this would require across-the-board salary increases in certain sectors. Jimenez adamantly denies advocating across-the-board salary increases, and reiterates the differences that should exist in compensating the doctor who works 24 hours a day, or the electric worker pulling double shifts, and the eight-hour-a-day worker. Rodriguez agrees, and states the discussion could be continued on a future program.

National Banking System To Be Restructured

PA0106041895 Havana PRENSA LATINA in Spanish 1236 GMT 30 May 95

[FBIS Translated Text] Havana, 30 May (PL) — The national banking system of Cuba will be restructured into two types of banks, central and commercial, in order to conform to economic transformations taking place on the island.

The daily GRANMA has quoted Francisco Soberon Valdes, minister president of the National Bank of Cuba, while making, without giving details, an announcement in this regard. The announcement was made during the first national seminar on computer technology for banks, which took place in the western province of Pinar del Rio.

It was reported at the forum that the modernization of the island's banking system will be greatly promoted with the installation in the near future of 500 new microcomputers to be distributed among banking agencies in the country's 14 provinces.

Agriculture Ministry Implements Controls in Havana Province

FL3105193495 Havana Radio Rebelde Network in Spanish 1700 GMT 31 May 95

[From the "National Radio News"]

[FBIS Translated Text] Ministry of Agriculture officials have conducted a control and inspection visit in Havana Province, where they verified the low yields obtained up until April by the 250 organic farms operating in Havana.

Immediately, Party and Government leadership in Havana implemented significant measures to eradicate the current deficiencies in food production. Reporter Pepe Suarez tells us about this and other decisions.

[Begin Suarez recording] Important measures were taken by Ministry of Agriculture officials, scientific centers linked to the agricultural sector, and Havana's Party and Government leadership, due to the urgent need to produce for the people. The following are three of the decisive measures for achieving better production results in Havana:

- Establish municipal control and veterinary care for cattle pen breeding.
- Extend the net of agricultural extension offices to provide technical counsel, quality seed, biofertilizers, and pesticides to Havana's 15 municipalities.
- Plant onion and garlic on an intensive scale — by square meter of urban soil available for planting.

In addition, due to slim production in Havana's 250 organic farms — which did not surpass 45 tonnes of vegetables until April, with only 2.5 kg per square meter yield— it was also agreed to do an immediate soil assessment in all farms to decide the type of crops to be planted. Also, 200 km of plastic piping, microjet type, will be installed for intensive irrigation. Finally, 25 pilot farms will receive 100,000 chickens to meet the Havana people's demand of 60 percent of eggs and white meat, and 3 tonnes of rabbit meat per ton of feed, to be produced by rabbit breeding clubs.

Comrade Esteban Lazo, member of the Politburo and first secretary of the party in Havana, stated that only through these measures will agricultural results be appropriate in Havana and Havana Province. [end recording]

Sugar Minister Focuses on Jun-Sep Efforts

FL3105163295 Havana Radio Rebelde Network in Spanish 0900 GMT 31 May 95

[From the "Doing Radio" program]

[FBIS Translated Text] Politburo member Nelson Torres, minister of the sugar industry [Minaz], highlighted the importance of doing all that was necessary during the June-September period — which he described as a decisive period — to increase sugarcane production. In a Minaz work meeting, Nelson Torres called on workers to do their best to complete the agricultural tasks since the sugarcane grows the most during those 120 days. Likewise, Minaz First Vice Minister Raul Trujillo also called on workers to make an effort in order to reach the 22,219 caballeria goal by 30 July.

Meanwhile, the sugar harvest continues. From Las Tunas we have learned that the Majibacoa Agroindustrial Complex was the first in that province to reach its monthly goal by planting 157 caballerias, one of the

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highest figures ever reached by this complex. This collective is also among the vanguards of the province in the weeding, planting and fertilization tasks.

In Ciego de Avila, sugar workers initiated a plan to eradicate the [word indistinct] on the 560 caballerias affected by the weed with the aim of improving the agricultural yields and producing more raw sugar in the next harvest. The program was put into operation with Ramon Castro Ruz's nine-day visit to that province. Castro, who is an adviser to the ministers of the sugar industry and agriculture, toured basic cooperative production units, agricultural-livestock cooperatives, and farms of the Youth Labor Army at the nine sugar complexes in Ciego de Avila.

As part of their spring campaign goal, between January and May, workers at the Ururguay Agroindustrial Complex in Sancti Spiritus planted more than 180 caballerias of sugar cane.

Castro Thanks Russian Intellectuals for Literature Award

PA3105210595 Havana PRENSA LATINA in Spanish 2141 GMT 30 May 95

[FBIS Translated Text] Moscow, 30 May (PL) — Cuban President Fidel Castro thanked Russian intellectuals today for granting him the Mijail Sholojov Literature Award, which he intepreted as an important show of solidarity and encouragement to continue towards a definitive victory.

In the message sent to jury chief Yuri Bondirev, the Cuban president expressed his deep emotion over the recognition given to his country's huge social development efforts and the defense of the country's sovereignty and independence conducted by the people of the island for more than 36 years of socialist revolution amid huge difficulties and obstacles.

Lenin's fatherland, which was first able to rise from the Czarist disaster and foreign intervention and later from the devastation caused by the Fascist aggression will always have the admiration and affection of the Cubans, Fidel Castro said.

The president of the largest island of the Antilles said he will never forget the decisive contributions made by the people of the former USSR, particularly Russia, in defeating Fascism while paying with blood.

In our case, he said, we are eternally grateful for the support and solidarity given, which became a crucial element for the survival of the revolution itself faced with its constant enemies.

The president said that nowadays those same enemies are determined to take advantage of the situation resulting from the disappearance of the socialist bloc and the disintegration of the USSR. They are tightening the blockade with the intention of forcing, through hunger, the surrender of our people.

In view of the current struggle and these new threats, which we are facing with increasing success, we are encouraged by the solidarity received each day from men and women from all over the world, and by your gesture of granting me the prestigious Sholojov Award.

Finally, Fidel Castro's message to Bondirev stated: Please convey our acknowledgement to the rest of the jury members for this high honor and I reiterate that we will do everything within our reach to remain worthy of it.

The Annual Mijail Solojov Award Ceremony was organized last 24 May on the occasion of the 90th anniversary of the birth of the prestigious writer and it was granted to the Cuban leader with the unanimous vote of the literary commission.

The award was received by Cuban Foreign Minister Roberto Robaina, who was paying an official visit to Russia.

According to the verdict of the jury, composed of more than 20 intellectuals, the award was granted to the great son of the Cuban people for his determination in the battle for social justice and the sovereignty of people, as well as for his contributions to universal literature.

Minister on Caribbean Tourism Integration, Improvement

PA3105180195 Havana PRENSA LATINA in Spanish 1959 GMT 30 May 95

[FBIS Translated Text] Havana, 30 May (PL) — Cuba restated today its will to promote integration with the Caribbean in the area of tourism, in which it has increased its participation in the region from 2.9 to 4.3 percent over the past four years.

Currently, we are developing a multifaceted plan with Santo Domingo, Jamaica, Bahamas, and Cancun. We plan to expand this program to all the Caribbean area, to achieve a joint sustained development, Tourism Minister Osmany Cienfuegos stated on the inauguration of the 16th Cuba 95 Tourist Convention.

He recalled that when 619,000 tourists visited the island in 1994, Cuba obtained the longest average stay (10.6 days) in the region, and placed fourth in the tourist-days attended.

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Cuba had expected to receive over that period 700,000 tourists, but tourism was seriously affected by a merciless propaganda campaign by the enemy of the revolution. In fact, he said some tour operators were also affected by those actions.

He noted that the Cuban tourist industry has showed signs of recovery and that in April of this year, there was a growth of 16.7 percent compared to the same period of last year.

Cuba, he said, hopes to surpass the goal of 2 million tourists in the year 2000. To accomodate them, it has initiated the construction of 1,908 new rooms. Also 37 lines continue to operate in seven international airports, he added.

He stated that hereafter the participation of foreign capital will play an important role in the development of the tourist industry.

Currently 1,700 rooms are handled by joint ventures, while 10,000 have been signed for construction or are in an advanced process of negotiation.

Cienfuegos drew attention to the fact that the Cuban economy has showed gradual signs of improvement, while the multifold effect of the tourism industry is beginning to bear fruit.

He said a school for advanced studies in hotel administration and tourism will be inaugurated soon, while studies to obtain a bachelor's degree in hotel management will be initiated in an effort to guarantee a high educational level of the personnel employed in this sector.

Quality will prevail in the Cuban tourism industry, he said. There will be no space for the culture of cement, because we will seek to preserve our natural environment. Also our history, culture, science, and sports will become an ingrained part of our product, he said.

He noted that the tourism industry will act forcefully to prevent unilateral actions — by local or foreign partners — that attempt to disrupt the policy of prices on the island and in the region.

Regarding the 16th Cuba 95 Tourism Convention, which will have the participation of over 1,000 delegates and guests, he praised the fact that the Palace of Conventions and the capital city were selected as the seat of the event.

The city of Havana, he recalled, is a symbol of universality and Cubanism. It has over 7,000 rooms for international tourism and beautiful beaches very close to its historic center, patrimony of humanity.

In addition to the Cuban tourism minister, the opening event was also attended by Costa Rican Tourism Minister Carlos Roesch and other ranking personalities from the tourism sector of Mexico, Peru, Uruguay, and Argentina.

The 16th Cuba 95 Tourism Convention will be held in the palace of this city until 2 June. It is being attended by representatives from 50 countries, mostly travel agents, tour operators, and transportation agents.

Cienfuegos Says 1994 Tourism Figures Below Target

FL3105115795 Bridgetown CANA in English 2224 GMT 30 May 95

[From the "Broadcast news summary for May 31st, 1995"]

[FBIS Transcribed Text] [no dateline as received] Cuba's tourism industry is bouncing back despite slower than planned growth last year because of the refugee crisis.

Tourism minister, Osmany Cienfuegos, says there were six hundred and twenty thousand visitors last year, below the planned seven hundred thousand.

Overall tourism growth in 1994 compared with the previous year was 13.5 per cent, less than the 24 per cent increase for the period up until July 1994.

Cienfuegos attributes the set-back to negative publicity abroad over street clashes in Havana in August and the exodus toward the United States of more than 30,000 Cubans on flimsy rafts.

He did not give figures for the first three months of this year but said visitor numbers had grown 16.7 percent in April 1995 compared with April 1994.

Haiti

'Warning' Issued to Election Saboteurs

PA3105022695 Port-au-Prince LE NOUVELLISTE in French 26 May 95 p 1

["Warning by the Police" issued by the Secretariat of the Interim Police Force in Port-au-Prince on 26 May]

[FBIS Translated Text] The General Headquarters of the Interim Police Force advises the general public that the various police officials have been instructed to arrest any individuals who is planning, through public statements or any other actions, to sabotage the electoral process

The arrested persons will be punished in accordance with the law.

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Secretariat of the Interim Police Force

Port-au-Prince, 26 May 1995

Electoral Irregularities, Voter Card Theft Denounced

PA0106033295 Port-au-Prince Signal FM Radio in French 1030 GMT 31 May 95

[FBIS Translated Text] Reynold Georges, leader of the Alliance for the Liberation and Progress of Haiti [ALAH], has denounced the irregularities that have marred the electoral process and has demanded an explanation for the disappearance of 1 million electoral cards.

[Begin Georges recording] Given the disappearance of those 1 million electoral cards, ALAH asks — and we are positive about it — that all voters be provided with their supporting documents to vote just as they did when they got their electoral cards. We are going to do everything we can to thwart those people so the one million stolen cards and the cards that have been bought by some candidates cannot be used on that day. [end recording]

PADH Demands Inquiry

PA3105232595 Port-au-Prince Signal FM Radio in French 1030 GMT 31 May 95

[From "The Waking Up Newscast"]

[FBIS Translated Text] The leader of the Alternative for the Development of Haiti Party [PADH] has asked that an inquiry be opened into the disappearance of 1 million electoral cards. In a statement to the media, Gerard Dalvius denounced the attitude of officials at the electoral institution. The disappearance of the cards can bring about the unfolding of the forthcoming... [corrects himself] sorry, can hamper the unfolding of the forthcoming ballot.

[Begin Dalvius recording, in Creole] We in PADH consider this situation to be very delicate. As a simple citizen, as attorney Gerard Dalvius, I am very concerned, and the population is also concerned.

When I see that 1 million electoral cards have been lost and that the Permanent Electoral Council [CEP] contents itself with simply reporting it, I wonder: Where am I? I wonder: Where are the Haitian people? [words indistinct] You want democracy, but you know what disorder can be created in this election, in the forthcoming ballot, with 1 million cards.

So, I wanted to share this problem and my apprehensions with... [pauses] the CEP to share with me by telling me what investigations it has conducted and whether it has just contented itself with saying that they have lost cards. Doesn't the CEP believe it is responsible (?for that) and that it should determine the numbers of the lost cards so a list can be made to invaldate those electoral cards? Then anyone would wanted to use them in the elections could be told: No, this card cannot be used. [end recording]

Senate Candidate Escapes Murder Attempt in Cap-Haitian

PA0106000095 Port-au-Prince Radio Metropole in French 1600 GMT 31 May 19 95

[From "The Midday Newscast"]

[FBIS Translated Excerpt] We just learned that Renaud Bernardin, a parliamentary candidate for Nord Department, barely escaped from an attack by a group of unidentified people. Our correspondent in Cap-Haitian tells us that the electoral campaign has been marked by many small incidents:

[Begin Joseph Claude Larousse recording, in Creole] A group of unidentified people tried to kill Renaud Bernardin, senate candidate for Nord Department, on the afternoon of 30 May near the airport in Cap-Haitian. The candidate was on a tour as part of his electoral campaign. Several witnesses reported that Bernardin barely escaped the attack. Bernardin is also a private adviser of President Jean- Bertrand Aristide.

Several acts of violence have been reported in this department since the opening of the electoral campaign. After the CEP issued the list of approved candidates, a confrontation in Grande-Riviere du Nord between supporters of two candidates resulted in several injuries. In Dondon, supporters of a parliamentary candidate closed the electoral office of this commune last weekend. On Tuesday, six groups of mayoral candidates who were not authorized by the CEP to participate in the 25 June elections threatened to block traffic on the main road from Limbe to Lacul on 1 June until they received a clear explanation as to why they were not allowed to participate in the coming elections.

Nord Department delegate Lawyer Paul Angelot said it would be an embarrassment before the international community if the elections were not held for reasons of insecurity. [passage omitted] [end recording]

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Demobilized Complain of Ill-Treatment by UNMIH Members

PA3105044495 Port-au-Prince Radio Metropole in French 1600 GMT 30 May 95

[Report by Wendel Theodore from "The Midday Newscast"]

[FBIS Translated Excerpt] Haitian demobilized soldiers have complained of alleged ill-treatment by UNMIH [UN Mission in Haiti] members. The demobilized soldiers are now grouped under an association dubbed the Rally of Military Dismissed for No Reason [Rassemblemen Milite Revoke San Motif — Ramires]. They have announced a demonstration will be staged in Port-au-Prince soon.

Meanwhile, they have demand from the government five months of back payment of salaries and compensation offered to the former soldiers. Our reporter, Wendel Theodore, has filed a report: [Theodore, in Creole] It is time for President Aristide to give a chance to the dismissed military members. President Aristide's daily statements on the nonexistence of the Army and the coup d'etat are inappropriate for the times in which we are now living. This statement was made by Andre Armand, Ramires president.

Andre Armand believes the president has expelled the military members from a society in which they have no civic or political rights. According to Andre Armand, the president should have other priorities:

[Begin Armand recording] We are asking the head of state what is a priority? It is not a question of soldiers, of a coup d'etat. He has received much assistance. He has received much help from the international community that makes up for the coup d'etat. Now is not the time to talk of the coup d'etat. He is spreading division in the minds of the people every time he speaks of the coup d'etat or the former soldiers. We believe there is no place for that in the 20th century. He should give us a chance to live. He is facing 6 million Haitians. He cannot abandon 6 million Haitians and keep talking about 7,000 soldiers day and night. [end recording].

[Theodore] Bernard Henri, Ramires secretary, has said the defense minister is not respecting the agreements that were made with the former soldiers and the demobilized officers to give them money and assurance of their compensation. According to Bernard, they have received only one month's compensation. Andre Armand has asked the Defense minister to explain to the press why the former Army officers have not been paid for five months and why the former Haitian Army members who respect nonviolence have not been paid for four. [passage omitted] The former demobilized military members have asked for an explanation from the UNMIH spokesman, Eric Falt, Major General Kinser, and Lahkdar Brahimi, the representative of the UN secretary general, on the brutal and bad treatment by UNMIH members against the Haitian former military members, why the foreign military mistreated them, spread gas, pointed guns at them, and hit them, all of which occurred on 10 May.

In a warning by the former military members to the authorities, if the foreign military acts as such once more, the descendants of Dessalines will then react in their own way. [passage omitted].

Ramires has announced that a demonstration by all the former military members will be held on 14 July at the premises of the U.S. Embassy, where they will give a letter to be sent to U.S. President Bill Clinton. According to the Ramires members, all the former military members, even members of the interim police who have also been dismissed are due to participate in the demonstration

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President Presents National Development Plan

PA3105191195 Mexico City Radio and Television Networks in Spanish 1606 GMT 31 May 95

[Speech by President Ernesto Zedillo Ponce de Leon to present the National Development Plan for 1995-2000, at the National Museum of Anthropology in Mexico City — live relay]

[FBIS Translated Text] Presidents of the Chamber of Deputies and the Chamber of Senators, Governors of the States of the Republic, legislators, ladies and gentlemen:

I took office with the commitment of working relentlessly, shoulder to shoulder, with the Mexicans to lay the foundations of the country we all want to live in, in the 21st Century: a strong, free, united, democratic, thriving and just Mexico. This is the nation we will build following the example set by our founding fathers and using the strength of the rights they bestowed on us and the resilience of our resolve.

The creation of this nation will be inspired in our history, motivated by our principles and guided by our constitution. Today, in keeping with stipulations in Constitutional Article No. 26 and Planning Law, the Federal Executive Branch will present the National Development Plan for 1995-2000, which will be submitted to Congress for its examination and evaluation.

The plan proposes national objectives, general strategies and priorities for the country's integral development. The National Development Plan will be the basis to guide the coordination of the tasks to be undertaken by the Executive Branch with the other federal branches and the state and municipal governments, as well as to foster the participation of the population as a whole. This plan offers a clear course to direct the efforts of all Mexicans in the creation of a realistic, responsible and firm basis for a better Mexico in the year 2000.

The drafting of the plan is only the first step; its implementation requires the examination and participation of the citizens, and the debate and action of the Legislative Branch. Fulfilling its goals is the duty of all Mexicans. When we drafted this plan, we tried to take advantage of our previous achievements, learn from our past experiences, and strengthen our position based on the progress already accomplished. We based this plan specifically on an objective and realistic awareness of our problems, backwardness, and deficiencies.

Even if we recognize the major accomplishments of many generations, we cannot view Mexico's current conditions with satisfaction. We still have many problems and many Mexicans still await for their basic needs to be met. Many Mexicans still live in the same conditions that burdened their grandparents. There are many millions of Mexicans who are unaware and cannot take advantage of the opportunities and advances resulting from one century of transformations, which is about to end.

As a result of this, Mexicans cannot be pleased about our situation. In Mexico, there is still a great gap between the written laws and their compliance, between the laws and their enforcement, and between justice and its administration. In practice, access to a prompt and expeditious justice is still being denied to many Mexicans and this affects their lives and undermines their rights.

Public insecurity has become a painful daily experience in our cities, streets, and even our homes. On a daily basis illegal acts disturb peace and social tranquility, and ruin the well-being, safety, and assets of families, and thus, they undermine the integrity and lives of many Mexicans.

We must also recognize that there is open social distrust toward the institutions that are tasked with administering justice and in charge of public security and citizen protection. We are not pleased either; we could not consciously be pleased with our democratic life. Even with the progress achieved, there are still insufficiencies and lags in our political development. Political struggle continues to be a source of insults and conflicts.

The concern to perfect our rules and electoral institutions is legitimate; society's aspiration to lead a life based on democratic normalcy is legitimate and valid; and citizen demand for joint work to achieve a genuine balance among the branches of the union is also legitimate.

The heavy inertia of centralism still persists. They inhibit the development of states and municipalities, prevent the productive regional integration, and stop society's initiatives. There are still regulations and procedures that confuse and discourage enterprising citizens, increase the cost of public administration, and render inefficient the services that should be offered to society.

There is yet no clear and timely system to account for the actions of public servants that has gained the credibility of the citizenry. Current regulations and procedures dilute responsibilities, favor discretionary actions, and are insufficient to combat abuses and corruption.

Nobody in today's Mexico can be pleased with unequal development of the country or with the poverty in which millions of men and women live, and this makes us realize daily how much more still has to be done.

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The average seven years of schooling is a precarious base to promote sustained increases in productivity and the real income of the population. More more than 6 million Mexicans are illiterate and 2 million children do not attend primary school. This means that a lot more has to be done in the area of education. Ten million Mexicans do not have regular access to health services. Fifty years after its creation, the social security system only attends half of the total population and not with the level of quality it deserves. We have a national deficit of $4.6 million houses, including new construction and improvements.

Social problems are very complex, but there is a fact that exposes their serious nature: Income distribution is highly unequal. In 1992, 20 percent of the population with higher incomes held 54 percent of national income while the poorest 20 percent held only 4 percent. Inequality is also apparent at a regional level. About 14 million Mexicans live in extreme poverty. Three-fourths of them live in the countryside. Poverty and isolation particularly hurt the Indian population, a majority of whom live in isolated communities.

Our social problems have worsened because for many years we lacked a population policy in keeping with the country's resources and potential. There will be 1.8 million new inhabitants every 12 months between 1995 and 2000. We will reach the 21st century with a population of 100 million.

Social problems have also worsened because of the economic stagnation that the country has registered for many years. We cannot be pleased — and the government less than anyone — by the erratic manner in which our economy has development. Throughout more than two decades the economy has only grown intermittently and we have faced financial crisis regularly in almost every six-year period. Due to a lack of growth, the economy has not been able to create jobs that many millions of Mexicans are fully entitled to demand.

The lack of sustained economic growth has also prevented the creation of necessary resources to fully meet the demand of basic services. Although our problems and shortages are serious, we must also clearly realize that we Mexicans are capable of great achievements, and that we have enormous strength and a firm determination to build a better future, and we do have what to build it on.

Let us not forget that between 1930 and 1990 the gross domestic product grew more than 20 times, while the per capita income increased fourfold. Let us not forget that in those six decades, the working population went from 5 million to over 30 million people. The social significance of these figures reveals the effort of Mexicans.

While in 1930 there were less than 1.5 million children and youngsters going to school, today the education system serves over 26 million youths. Between 1930 and 1994, illiteracy was reduced from nearly 70 percent to approximately 10 percent.

We must also not forget that in these six decades, the life expectancy rate has doubled and infant mortality has been reduced to less than one fifth of what it was. Today, the vaccination program reaches 95 percent of the population requiring vaccines. We must not forget that in 60 years, our country went from a territory sparsely connected by 1,500 km of roads to having a road network of nearly a quarter million kilometers, and that more than 90 percent of Mexican households have electricity.

Thanks to the efforts of Mexicans, the country has today a great infrastructure for development, an industrial framework that has been rapidly modernized, and an intense commercial exchange with other countries. All of this reflects that Mexicans are capable of building a great nation and that many generations have joined in the effort to improve our standard of living.

Today we have the work experience of many years to better face the challenges and make better use of tomorrow's opportunities. Today we have, above all, the will and desire of millions of men and women who devote their efforts to getting ahead. This is where the great richness of the nation lies; in the millions of Mexicans who tackle challenges with determination and who know how to keep their hands working while never surrendering their spirit. This is where the solution to our problem lies. It is in the millions of Mexicans who are willing to work enthusiastically to gradually build a better country for all. It is thanks to them that we will be able to advance. It is with them that this plan has been prepared. It is for them that the National Development Plan proposes five basic objectives: to strengthen our full sovereignty, to build a country of laws and justice for all, to attain full democratic development, to boost social development with opportunities for all Mexicans to improve, and to reach a vigorous and sustainable economic growth.

Sovereignty is the most important factor of our nationality. Its defense and strengthening are the foremost objective of the Mexican state. The concrete expression of our sovereignty consists of preserving the security of our territory and insuring in it the prevalence of the state of law, with the predominance of the political Constitution of our country.

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This is why we will strengthen the state's capacity to guarantee national security, the validity of the laws, and the presence of the institutions of the republic nationwide. We will exercise an active foreign policy that consolidates the presence of Mexico in the world and defends our interests in multilateral forums. We intend to further diversify our diplomatic and cooperation exchange ties. We will use the instruments of diplomacy so that Mexico will always be a country respected internationally and so that we can always be proud of our nationality and our culture. We want a Mexico that can be increasingly capable of taking advantage of the opportunities the world has to offer for the progress of all Mexicans. Together with the Mexicans residing abroad, we will project the Mexican citizenship as the expression of a proud identity that goes beyond our border.

We, Mexicans, want to live in a country where the law is the same for everyone, where no one can feel above the law, where corruption is effectively fought, and where there is no room for impunity. To achieve this goal, a major transformation of our justice system has been set in motion since last December. Based on previously implemented reforms and reforms we will continue implementing, we will guarantee all Mexicans justice at the courts. We will guarantee that legal actions and procedures be handled fairly, expeditiously, and within the framework of a strict compliance with the law. We will continue promoting the transformation of the Judicial Branch to strengthen its professional character and the autonomy of its work and to guarantee impartial and expeditious justice.

We will advance decidedly until we consolidate a legal system that will safeguard the patrimony of the families and productive activities. We will create the conditions that will enable the state to effectively deter delinquency, to launch a direct fight against the criminal organizations, and to punish crimes expeditiously. We will strive to turn those organizations responsible for the administration of justice into authentic custodians to protect justice and prosecute crimes. We will establish a quality national system of public security through a professional, decent, and respected police force, as well as modern methods for an appropriate coordination among the three government branches.

Corruption causes collective demoralization and social hostility; therefore, we will update the legal framework to detect and punish questionable behavior and illegal acts by government officials. We will implement the necessary reforms to have a true and modern oversight organization that will be professional and autonomous. This organization will guarantee that government officials render clear and punctual accounts regarding the fulfillment of our duties and the honest use of public resources. We will create a culture of respect for the law, one that will not only stand up to impunity, but will also instill in every man and woman a rejection of corruption and will promote individual and social behaviors of rectitude and responsibility.

We want a Mexico that will be strong because of its laws and its honest, modern, and trustworthy justice system. We want a fair Mexico, where all of us will be and feel equally protected and accountable before the law. We want a Mexico, where all of us, men, women, children, Indian peasants, workers, businessmen, and students can live with the conviction that we will have access to justice and will be treated with equity.

Today, I am reiterating my profound conviction that democracy is indispensable for Mexico's progress, that its total development is desirable and possible, necessary, and within our reach; therefore, because of that profound conviction that democracy is the supreme value of politics, the plan establishes as an essential objective the building of a sound democratic development.

There can be no historic, cultural, strategic reason or any ideological, economic, party, or group interest to prevent us from progressing toward a democratic development in which all Mexicans can recognize ourselves. We will move toward a democratic normalcy that will lend certainty and confidence to all and will serve as the basis of a peaceful political life and intense participation by the people. Only a total democratic development permits civilized coexistence and a free expression of our plurality with an effective governability.

It is time to assume that the construction of that democratic development is the responsibility of everyone. It is the responsibility of the Congress of the Union, of the state legislatures, of the state and municipal governments, of political parties, and of social organizations to contribute quickly and effectively to the overall democracy demanded by a dynamic, open, and participatory society.

Our common purpose must be to reach the 21st century while living in a country with a total democratic development. To this end, we all will carry out an electoral reform that will be definitive, not barring future modifications but, rather, seeking to end the dissatisfaction and controversies regarding its essence. The plan proposes an examination of each and every one of the topics that will contribute to securing equitable laws and conditions for competition. This includes the autonomy of the electoral organizations, the impartiality and professionalism of the electoral officials, the perfecting of the system for financing campaign, and equitable access to the media. We are intent on constructing a new relationship

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between the powers of the Union that will secure an effective republican balance and a governability based on democracy.

By virtue of a deep-rooted republican conviction, the plan is committed to the exercise of the Presidency, in keeping with the law and maintaining a balance with the other powers of the republic. It is a Presidency that is respectful of all initiatives intended to strengthen the independence and pluralism of the legislative power. Based on our federal pact, we will move toward a new federalism in which responsibilities, resources, and opportunities will be redistributed. It will be a new federalism that will promote the decentralization of functions, fiscal resources, and public programs to strengthen the states and municipalities.

We will strengthen even more the government reforms, modernize public administration, and render accounts in a responsible, open, and punctual manner. We will encourage the participation of the people and invariably guarantee the people's rights and liberties as a condition for a total democratic way of life.

We want a free, united, democratic Mexico, a Mexico with a political culture based on tolerance, civic-mindedness, respect for plurality, constructive criticism, and a joint and responsible participation, a Mexico committed to the supreme interests of the nation.

If in building a state of law and building a total democracy, we must hasten our pace in fighting poverty, we must redouble efforts and work tirelessly, day after day and year after year during this generation and many others.

At the threshold of the 21st century, Mexico's main challenge is to defeat poverty and to moderate imbalances. Securing a lasting, social well-being is an enormous task that requires the tenacity, imagination, and firm determination of the government and society. Today, in the face of persistent historic remnants and new challenges, we must undertake a vast mobilization to progress toward social justice. The policy of social justice will promote equal opportunities, above any ethnic origins, geographic locations, and economic conditions of each Mexican.

The policy of social development will be oriented to securing for all the people the enjoyment of individual and social rights established in the Constitution. It will improve Mexicans' well-being and living standards. Its priority goal will be to reduce poverty. The plan covers a social policy that will be national, all encompassing, federalist, participatory, influential, and effective.

We will work steadfastly for quality education at all levels, in all regions, and for all social groups. We will dedicate a special effort to primary education and to the literacy program, so that the constitutional guarantee of primary and secondary schooling for all will be a reality by the year 2000. Education has been a formidable instrument of transformation in Mexico during this century. Overcoming our shortages and progressing amid justice will depend to a large extent on the intensity, consistency, and quality of the education effort we carry out.

Health is indispensable for the overall development of human capabilities for work, education, and culture. We will reform the health system so it will cover more people and guarantee a basic package of services for all Mexicans, using as an focal point nutrition, disease prevention, and reproductive health.

We will make an extraordinary effort, with society's participation, to build dignified homes, with legal security in land tenure, and adequate services for families needing them the most.

The family is the basic pillar of society. Through education and social actions, we will promote preference for a small family and will apply a family planning policy, respectful of the provisions of Article 4 of the Constitution.

We will work alongside the men and women of the countryside to conclude the agrarian distribution, to increase the production and productivity of the agriculture-livestock sector, and to impart vigor and certainty to rural development.

An unquestionable priority of the social policy will be to overcome poverty. We will redouble attention to communities with greater economic and social disadvantages, taking them basic services and integrating productive activities, promoting jobs that will increase the family income. We will promote a series of programs to guarantee women equal opportunities in education, training, and employment, as well as total equality in the exercise of their social, juridical, and political rights. We will resolutely support women in their fundamental role of family integration and the raising of children.

We will break the vicious circle of neglect of the Indian population. We will make a very special effort to integrate them to development, preserving their languages, traditions, and customs, and respecting their participation in decisions affecting them. Following the guidelines of the plan, we will apply programs that give appropriate attention to Indian communities, agricultural farm workers, youths, handicapped individuals, and those of the older generation.

Our social policy will be comprehensive. A dispersion of efforts weakens the government's ability to respond

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to the just demands of equality and opportunities. Our social policy will also be clearly and profoundly federalist. The government of the republic will transfer resources and responsibilities to states and municipalities to ensure they become the executors of social programs. In this regard, the federal government will fully focus on its duty as the leader of social development.

We want a just Mexico in which the anguish over shortages and deprivations is met with a clear commitment, concrete responses, and efficient actions. We will only be pleased if we fulfill the moral, historic, social, and political goals of eradicating extreme poverty and advancing decidedly toward the construction of a Mexico of opportunities and justice.

Mexico's future must be one of firm economic growth so as to respond to the people's demands for well-paying jobs. All the efforts that must be made to achieve this growth will be worthwhile. Mexicans are facing a serious unemployment problem due to a lack of economic growth. Economic growth is indispensable to ensure that the people receive well-paying jobs, growing levels of well-being, and a harmonious and democratic development.

The enforcement of our sovereignty, the establishment of a new legality, and the achievement of a desirable social and political development will only be possible within a framework of swift and lasting economic growth. Only economic growth will yield the resources for an ambitious social policy, will provide the means to build a better system of justice administration, and will promote a social situation less prone to delinquency.

Political progress will be firm and healthy; it will not be touched by rancor and sterile confrontations to the extent that there are conditions to achieve material progress. With a prosperous economy, Mexico will become a more respected country among the international community.

Because of all this, the strategic and essential goal of the national development plan is to promote a vigorous and sustainable growth that will strengthen national sovereignty, expand Mexicans' well-being, become the basis of a full democracy, and generate the resources to fight backwardness and to promote justice and equality.

Once the current financial crisis has been overcome and economic recovery has been consolidated, we will achieve sustained economic growth at a yearly rate of more than 5 percent. In order to achieve this goal, we will promote general and sectorial policies as well as conditions of certainty and stability to encourage domestic and foreign investments and to significantly increase the productivity of production factors.

In hindsight, we conclude that insufficient domestic savings have been the common denominator of financial crises our country has experienced recurrently, and this point is also the main cause of the economic stagnation of a large part of the last two decades.

We are applying the best economic strategy to overcome the crisis. We will successfully overcome the challenges we are now tackling. The first one is to persevere with discipline until we achieve a normal operation of the exchange and financial markets, significantly reduce inflationary pressure, reaffirm the correction of the current account of our balance of payments, and start a gradual recovery process of our economic activity and employment.

The second challenge is to consolidate and intensify the structural changes initiated during the last decade. Those changes are essential in order to have a productive, efficient, and growing economy. The third challenge is to make the reforms that will allow us to have a broad and stable internal savings base. All of this is indispensable to prevent the repeated crises that have caused the drawbacks in stability, employment, and social well-being.

The National Development Plan offers a clear and viable strategy for growth in which internal saving will be the financial basis for development. To this end, we will promote the fiscal and financial reforms essential for promoting savings and investment. We will promote private savings by guaranteeing the appropriate security and yields. We will promote family savings and corporate revenue reinvestment. We will take advantage of social security systems to increase savings. We will use foreign savings wisely, as a complement to productive domestic investment and without compromising financial stability.

In order for growth to be strong and lasting, we will encourage increasing price stability conditions, built upon a solid and healthy financial foundation. We will promote economic stability, observing strict fiscal discipline. My administration, by conviction and out of absolute national necessity, will be particularly austere and efficient in using public resources. The federal government hereby states its firm support for a monetary policy that will contribute to price stability and a currency exchange policy that will encourage exports and efficient import substitution, while encouraging local production and internal savings.

We will reach a level of economic growth capable of generating productive jobs and recovering real salary levels, the reason why the government will back those proposals directed at creating job opportunities and better salaries for the workers, promoting an adequate flow

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among job markets, bringing certainty to the relationship between management and the worker, aiding in balancing production factors, and modernizing the labor justice system. We will provide unprecedented support for job training and technological improvement, particularly in small- and medium-sized business.

The government's regulatory action should not obstruct or hamper private production; on the contrary, it should promote it. We will move toward a regulatory system, build around a fair and efficient legal framework that no longer controls but, rather, promotes private activities and initiatives. We will encourage self controls and shared responsibility as the rules become simpler. The government will act based on trust in the private sector.

In our competition efforts abroad, we will work for uniform and fair conditions for Mexican producers. We will fight monopolies in private and public enterprises alike. We will ensure that a growing number of regions, sectors, production chains, and companies bolster and benefit from our economic growth by implementing clear industrial policies.

Once the economic crisis has been overcome, we will make extraordinary public investments in infrastructures. We will encourage greater participation from the private sector in this endeavor. The responsibility we have toward our children and our duty toward our country obligate us to attain sustainable economic growth. We will adopt clear policies with a view to stopping ecological destruction by encouraging infrastructure investment and applying cleaner technology.

We will safeguard the fulfillment of the rules of environmental protection. We will strengthen the application of the dictum that whoever contaminates will pay and whoever fulfills the rules and cleans up will be rewarded. The Mexico to which we aspire can be built only with an indomitable effort, a united purpose, the perseverance of many generations.

It is up to our generation to set the example of that effort and steadfast dedication with a view to the future. It is our generation's responsibility to resolve big problems, to overcome old conflicts, and to open new opportunities. It demands leaving behind discouragement and tackling each challenge and task with determination. It also demands leaving behind offenses and disagreements, concentrating our energy and creativeness on working day after day for a better Mexico for all.

It demands, above all, joining our wills and increasing confidence in ourselves so that this will be a lesson for our children. True, we would like to see the results of the accumulated effort now, but it is also true that we must raise our eyes and look beyond for the fruits our children will reap and think of the tasks awaiting them. The development to which we aspire will be slow if our effort is weak and our perspective is short, or it will be rapid and fruitful if our dedication is daily and our vision of the future is clear; therefore, the purpose of the development plan is to establish a clear course to fulfill the effort of our generation.

Today, our shared responsibility and common task are to build a nation of progress and laws, of democracy, justice, well-being, and equality. Let us build together this nation that will honor our history, strengthen the values uniting us, and that will consolidate a better future for all with the effort of today. We can achieve it with patriotism, unity, and dedication. [applause]

Government 'Deplores Tone' in EZLN Invitation

PA3105180295 Mexico City XEW Television Network in Spanish 0430 GMT 31 May 95

[From "24 Hours" newscast — passages within quotation marks are recorded]

[FBIS Translated Text] Tonight the "24 Hours" newscast has an interview with Marco Antonio Bernal, coordinator of the federal government's delegation to the peace talks in Chiapas.

The federal government's delegation to the talks for Harmony and Peace in Chiapas deplored the fact that the EZLN [Zapatist National Liberation Army] used nonserious and ironical language in its invitation to attend the consultations the rebel group is conducting within its rank and file.

In an interview, Bernal, coordinator of the government delegation, said a good opportunity to create a rapport with the EZLN was lost after the armed group issued a communique Tuesday in which it established, among other conditions, that delegates must walk two days in the jungle, carrying their own luggage, and should not be accompanied by attendants, assistants, or escorts.

[Bernal] "The tone, form, and contents of the letter show that the proposal was not serious. We feel that the ironical tone used to condition the invitation as a way to retract the invitation, in other words, it is a way of saying: We would prefer if you do not come. We regret this, because we were really interested, we thought it would be a good opportunity to attend the consultations, in order to explain our position and discuss our views with them, and elaborate on some points that would not be clear in the negotiation table."

Bernal said that the ironical language used in the EZLN communique is not compatible with the San Miguel Joint Declaration, which establishes that the parties

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involved must show good faith and mutual respect. He added that once again the rebel group is using events linked to the negotiations as propaganda, which the governmental delegation cannot accept.

[Bernal] "The federal government's delegation to the peace talks, however, does not rule out the possibility of attending those consultations in the future and establishing a direct dialogue in the communities. We feel that if the invitation is made with the necessary seriousness, mutual respect, and good faith, we will be glad to attend."

Bernal said that the resumption of the peace talks, scheduled for 7 June, is not in danger.

[Bernal] "For us, the conditions for beginning the talks on June are the same. We have work to do, and we are willing to start. We hope the EZLN will assume the same attitude."

Bernal recalled that at the next meeting in San Andres Larrainzar, the two main topics that are pending will be discussed: detente measures and procedural rules.

He stressed that the government hopes that this time the EZLN will present specific proposals in order to begin finding solutions for the causes that originated the conflict.

[Bernal] "Up to this moment in the negotiation table the EZLN has not proposed any document or presented its demands, has not stated what it wants, or what it feels would be the real solution for the problems that supposedly originated the conflict."

Bernal reiterated that the Federal Government is willing to resolve the bottom line problems that originated the conflict, seek ways to transform the EZLN into a legal force, and achieve an agreement for peace and harmony for the conflict zone and the State of Chiapas.

Secretary on Privatization of Pemex-Petrochemical Plants

PA0106011695 Mexico City REFORMA in Spanish 29 May 95 p A-30

[FBIS Translated Text] The Committee for the Privatization of State Enterprises [Comite de Privatizaciones de Empresas del Estado] has not yet established the guidelines for the privatization of 61 Mexican Petroleum [Pemex] plants that produce petrochemical derivatives, Energy Secretary Ignacio Pichardo has said.

The cabinet group in charge of this process is discussing whether the sale will involve complexes or production lines, whether it will take place based on bids or through shares in the stock market, whether enterprises will be formed, and whether there will be international backing. The group is also considering evaluation methods, among other points, Pichardo has said.

This week, the Committee for the Privatization of Petrochemical Derivatives and Electricity [Comite de Privatizaciones de Petroquimica Secundaria and de Electricidad] will have a meeting to further define the process.

The energy secretary has said the government is still obligated to guarantee the supply of petrochemicals and products such as natural gas, oil, and fuel derived from hydrocarbons.

He has said: "At this moment there are some price benefits, meaning certain petrochemical derivatives could be subsidized."

Pichardo has said the policy for bids on this raw material in the future will try to always find an international point of reference.

He has said: "The idea is to eliminate advantages enjoyed by foreign industrialists who claim they obtain better quality raw materials and prices and have a better supply guarantee than Mexican industrialists, meaning subsidies will be eliminated."

Pichardo has said that despite the privatization of the Pemex-Petrochemical plants, Pemex will maintain the contracts for the long-term supply of nonessential materials, without subsidy, unless there is a clause establishing the contrary.

Pichardo has said his secretariat will develop the necessary regulations for the participation of the private chemical and petrochemical industry, which will join Pemex at certain complexes.

He has said the government does not envisage making modifications to the constitutional dispositions on energy matters that establish state ownership of hydrocarbons and radioactive minerals.

According to Pemex data, the capital assets of Pemex Petrochemical, owner of the plants to be released, was 16.609 billion new pesos at the end of 1994, and its net worth was 13.524 billion new pesos.

So far, the enterprises interested in buying the plants are: the Idesa Group, Resistol, Celaneso Mexicana, Cydsa, Primex, Dow Chemical, Exxon, Shell, and Praixar.

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El Salvador

Calderon Sol Makes Speech on San Andres Pact

PA0106040695 San Salvador Radio Nacional de El Salvador Network in Spanish 1703 GMT 31 May 95

[Speech by President Armando Calderon Sol at the signing of the San Andres Pact at the San Andres Archaeological Park in La Libertad Department — live relay]

[FBIS Translated Text] Madam President of the Honorable Legislative Assembly and messrs. deputies; Mr. President of the Honorable Supreme Court of Justice and messrs. justices; Mr. Vice President of the Republic; your excellencies messrs. ambassadors and honorable chiefs of diplomatic missions accredited in the country; Mr. Vice President of the Central American Parliament and messrs. deputies; messrs. members of the Attorney General's Office; messrs. members of the Government Cabinet: messrs. former presidents of the Republic; honorable representatives of international organizations; Your Excellency and Reverend Msgr. Fernando Saenz Lacalle, archbishop of San Salvador, and ecclesiastical authorities [applause]; military authorities; messrs. representatives of political parties; messrs. leaders of private enterprise, labor organizations, and agricultural organizations; young students; Salvadoran people; ladies and gentlemen:

We are meeting today at the foot of one of the historic monuments that has withstood the passage of centuries to bear witness to the greatness of our past and to visualize the horizon of a promising future for the destiny of our dear fatherland. More than one millennium ago, one of the centers of greatest development of our pre-Colombian civilization developed in this archaeological park of San Andres, within which the bold and indomitable character of the Salvadoran people began to be forged.

This is a great site for the presentation of the document through which the signatory political parties propose the signing of a national pact to further ensure our country's political, economic, and social stability. [applause] One need only briefly review El Salvador's history to realize that the foundations of the fatherland and the paths of its development have been built on the basis of courageous and bold decisions, combining efforts and sacrifices; therefore, we are obligated to protect and enrich with our contributions the national heritage we have inherited from previous generations.

Inspired by that renovating and creative spirit, we should take the necessary steps for the signing of a pact with a national vision that will bring about the development of new political, economic, and social concepts applicable to our present and future national reality. We have always believed the best government is the one that, although having its objectives clearly defined, does not reject public and constructive debate of national issues, because the democratic interplay of ideas enriches political proposals and strengthens government actions.

The day we took office, we pledged to strengthen peace and democracy through a government of opening, which would permit the participation of citizens in decisions of importance to national life. We are now pleased to state that as a result of that opening, we have established a new style of governing and of politics in the country. Our strength does not depend on dogmatic and closed political positions but, rather, on a broad and unconditional opening to a great national dialogue, the reason why we were pleased to receive the proposal for the San Andres Pact, because it enables us to move toward development, modernization, the consolidation of peace and democracy, and a sustainable economic growth that will turn our El Salvador into a country of opportunities for everyone.

The great challenges we will face at the beginning of the next millennium require us to make correct and wise decisions to continue leading our country on the sure path toward the utmost progress, making development the new name of peace, as Pope Paul VI wisely said.

Salvadorans must have confidence in our own capability to resolve the current problems and to overcome the challenges of the future. We must not act with fear or hesitation but, rather, with deep confidence in our potential creative strengths, because fear and hesitation halt the dynamics of history.

In 1982, the people lost their fear of war and voted for democracy, giving us our current Constitution. Politicians then lost their fear and signed the Apaneca Pact, permitting the establishment of a transition government within the framework of the Constitution. We later lost our fear and shed ideological prejudices, discussing and agreeing on peace with the historic signing of the Chapultepec agreements. Now, dear fellow countrymen, we must also set aside fear and momentary interests of sectors in order to continue jointly building the new Salvadoran society.

The San Andres Pact is a framework agreement that proposes a national agenda that contains the following objectives: the consolidation of democracy, social development and eradication of poverty, security for citizens, the fight against drug trafficking and organized crime, greater social participation in the construction of a new economic model, the fight against corruption, the elim-

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ination of unfair competition, the expansion of the tax base, and the fight against tax evasion.

It is definitely a great national project that will permit our country's modernization and guarantee full political, economic, and social stability with an eye to the future, without the country being exposed to political improvisations and fluctuations. We receive the proposal of this pact as the beginning of the search for a great national consensus and the incorporation of all the country's political forces so that together we can decide our fatherland's future.

We want to use this solemn occasion to express, on behalf of the government of the Republic and the Salvadoran people, our gratitude to the international community for having accompanied us and continuing to accompany us in this process to transform the Salvadoran society.

Salvadorans, we are open and receptive to contributions to enrich this proposal for a national pact. For the good of a desirable national consensus, we invite all political parties to identify themselves with this initiative in benefit of the nation's high interests. This moment is an important one in our history. United around a national pact, together we can build a new El Salvador where the present and future generations can live in peace, justice, progress, and liberty.

Fellow countrymen, our future depends on what we do today. [applause] Let us work together to guarantee a great destiny for our dear El Salvador. Thank you very much. [applause]

FMLN, Democratic Convergence Will Not Sign National Pact

PA0106032195 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 May 95

[Report by Balmore Parada from the "YSU Radio News" newscast]

[FBIS Translated Text] An FMLN [Farabundo Marti National Liberation Front] leader today confirmed the FMLN party, the second force in opposition to the government, will not sign the national pact President Armando Calderon Sol has announced. According to a communique the Presidency Information Secretariat has issued, however, the national pact seeks to guarantee stability, democratic participation, and the state of law.

FMLN Coordinator General Salvador Sanchez Ceren has said that the announcement took them by surprise and that they are unaware of the contents of the document, which would reportedly be signed on 2 June:

[Begin Sanchez recording] First, in order to sign anything, one must be aware of its contents. One cannot sign a blank check, particularly when such an important issue for the country as the national agenda is concerned [three-second break in reception] we interpret this as wanting to condition the approval of the VAT [value-added tax] and as erecting a smokescreen over a year that has been quite fateful for the country's destiny, beginning with the administration of President Calderon Sol. In this regard, we cannot sign a blank check in which we do not know the direction, the paths, and the courses that are being proposed to lead us to the country's sustained development.

We believe the country needs to open itself to a consensus, and as a pact will be signed in San Andres, we need to support the direction of a party that ignores the whole truth [sentence as heard]. I believe the Arena [Nationalist Republican Alliance] party must be open and listen to all sectors; it must also open an opportunity in the search of a national consensus. The vision of a party is what they are attempting to sign in San Andres [three-second break in reception] the nation. In this regard, we are unwilling to sign anything. [end recording]

Meanwhile, Deputy Jorge Villacorta has confirmed the Democratic Convergence will not sign the so-called San Andres Pact either. The legislator believes the government must take into account all the country's sectors:

[Begin Villacorta recording, in progress] ...the business and labor sectors and the political parties, which, along with the government and the four of us, should establish a methodology and start working while [words indistinct] the peace agreements. The people in Costa Rica took up arms because of the peace agreements [sentence as heard]. The mechanisms and processes needed to go to Chapultepec were part of an entire process to design the methodology of work. We are dealing with something similar this time, the reason why I will not sign the agenda. It would be as if I had signed the peace agreement in Costa Rica without having held any discussions and without having made any commitments or reached any agreements. [end recording]

The agreement, which will be signed at a special ceremony, includes the following issues, among others: consolidation of democracy, respect for the state of law, the fight against organized crime, the fight against corruption, and others.

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Legislators Comment on Nonsigning

PA3105120495 San Salvador Radio Cadena YSU in Spanish 1800 GMT 30 May 95

[Report by Gouglas Mejia from the "YSU Radio News" newscast — passages within quotation marks recorded]

[FBIS Translated Text] Today, two [as heard] opposition parties stated they will not sign the pact the government calls Development: the New Name of Peace, which would be signed on 31 May at the ruins of San Andres. Miguel Espinal, a Social Christian Renovation Movement legislator, insisted his party will never sign a pact that places the condition of increasing the value-added tax [VAT] to 13 percent, as Congress President Gloria Salguero Gross had proposed to that party:

[Espinal] "There was only one alternative: Either we sign the pact or we do not sign it. The last page of this pact stipulates the conditions to sign the pact; that is, accept the pact and the 13 percent VAT increase. It is here where we disagree. We have to draft a pact, but we need to debate it first. We need to hold a discussion with everybody's participation."

Gerson Martinez, FMLN [Farabundo Marti National Liberation Front] deputy, questioned the ultimatum the government gave to the parties to support the pact while emphasizing his party will not sign it:

[Martinez] "The burden is so huge that [three-second break in reception] the government gave a 48-hour ultimatum for the parties to sign it. I believe that what will happen in San Andres is that the pact will be read amid the ruins, because these two groups are the two most isolated groups and because these two groups have kept this country in ruins."

There were doubts whether the National Conciliation Party [PCN] would give in just like the Democratic Party [PD] had given in. PCN Congressman Alex Aguirre stressed his party's refusal, however, to sign any agreement while the VAT is at stake:

[Aguirre] "We have decided not to sign the pact. The truth is that all issues included in the pact are quite good and have good intentions, but if it includes a VAT increase, we will not sign it."

The Christian Democratic Party agreed with these parties. Deputy Nelida Villatoro charged against the questioned PD.

[Villatoro] "This is the counterproposal of Arena [Nationalist Republican Alliance], but it is hidden in a disloyal, dishonest, and disgraceful pact with the National Resistence and the ERP [People's Revitalizing Expression] [three-second break in reception]."

Contrary to the decision the opposition parties made, Deputy Walter Araujo of the ruling Arena party affirmed that several parties will sign the pact but failed to explain if all of them are represented in Congress:

[Araujo] "Let us hope so. The time is coming with a strategy and an already existing pact. It is a pact among several parties. We do not have the number of political parties [three-second break in reception] to the meaning and contents of the pact [five-second break in reception] be made fully public. Let us analyze the entire document. If this is the right thing to do following the analysis and the public decision and if all Salvadorans agree this is the project the nation wants, I would ask people to demand from those who refuse to sign the pact what they want for the nation."

[Unidentified reporter] "[Words indistinct] several parties?"

[Araujo] "There are several parties. I repeat: Do not ask me what parties they are, because from a politically strategic standpoint—I want to be very honest and frank—this is a standpoint allowed in a democracy. The pact already exists, meaning several groups have already supported it."

It is expected that after the pact the Calderon Sol administration proposed is signed, the Legislative Assembly would proceed to approve it at an urgent session in which the opposition is resisting to participate [three-second break in reception] if President Calderon Sol achieves his goal of making all the country's political forces support a pact the opposing bloc described as a disguised VAT increase.

Foreign Minister Announces Withdrawal of OAS Candidacy

PA0106044895 Mexico City NOTIMEX in Spanish 2049 GMT 29 May 95

[FBIS Translated Text] San Salvador, 29 May (NOTIMEX) — Today, Salvadoran Foreign Minister Oscar Santamaria announced the withdrawal of his candidacy for OAS assistant secretary general due to a lack of support.

"We have decided the best thing to do is to withdraw my candidacy instead of participating in an election in which the results can be foreseen," Santamaria said during a news conference held at the Foreign Ministry.

Santamaria said he made the decision during a meeting with his Central American colleagues last week, given it "was impossible" to obtain as many votes as the current OAS assistant secretary general, Christopher Thomas, of Trinidad and Tobago, who is seeking his reelection.

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He recalled, however, that "Central America hopes, as a legitimate right, to occupy a high OAS position but needs the support of the rest of the countries of the hemisphere."

"Although several countries have supported my candidacy, we did not have the necessary number of votes to win," Santamaria said.

The election of the OAS assistant secretary general will take place in Haiti in June, he announced.

Last year, Bernd Niehaus, the Costa Rican foreign minister at the time, was a candidate for OAS secretary general but was defeated by former Colombian President Cesar Gaviria, who currently occupies the position.

Guatemala

De Leon Affirms Decision To Complete Term

PA0106021995 Guatemala City SIGLO VEINTIUNO in Spanish 31 May 95 p 2

[Report by Carlos Castanaza Rosales]

[FBIS Translated Text] After reiterating his determination not to stay in office longer than stipulated by law, Guatemalan President Ramiro De Leon Carpio admitted yesterday that several political groups and representatives of social, labor, religious, and civic organizations have told him lately how useful it would be for him to remain in office.

De Leon said these arguments focus on the peace process and the still uncertain and cloudy transition as well as various economic, political, and social situations.

He said, however, that he has been emphatic and firm in his position, which he has even expressed on a radio and television network. He says he is devoted to social improvement and is determined to complete his constitutional term on 14 January 1996. He added that he will give details of this in due time.

De Leon Comments on Jennifer Harbury's Visit to Country

PA0106023295 Guatemala City LA REPUBLICA in Spanish 31 May 95 p 2

[Report by Carlos Ajanel Soberanis]

[FBIS Translated Excerpt] Guatemala President Ramiro De Leon Carpio said yesterday that all Guatemalans "reject and repudiate" the presence of U.S. lawyer Jennifer Harbury in our country and reiterated that her visit "does not mean anything special" to him or his government.

He maintained that Harbury's admission to our country was "incontrovertible evidence" of the "freedom and democracy" in Guatemala. He admitted, however, that he allowed her to enter the country to avoid greater political problems. He said the lawyer's presence meant nothing to him and added that her stay in the country was contingent upon the permit issued by Guatemalan Immigration Director Guillermo Alfonso Barillas.

On the possibility of meeting with Harbury, De Leon Carpio said "it all depended" on the "reasons" she gave to request such an encounter. He added that he had not received such a request as of yesterday. The president noted that his agenda from now until 14 January, the day on which he ends his term in office, is totally full and said he would only allow changes if they are really important. "Furthermore, I must visit several departments in the country shortly and prepare to receive Mexican President Ernesto Zedillo," he observed.

The president did not reject the possibility that the Guatemalan Government might sue U.S. citizen Harbury for aiding the Guatemalan guerrilla, a fact she herself admits in her book entitled Bridge of Courage. He observed: "Why can't she be sued if the president himself has been sued?" Furthermore, De Leon Carpio added, all foreigners who enter the country are subject to Guatemalan laws, and she is no exception. [passage omitted]

Minister: Bamaca Investigations Endanger Peace Process

PA0106022795 Guatemala City SIGLO VEINTIUNO in Spanish 31 May 95 p 3

[Report by Carlos Canteo]

[FBIS Translated Text] Guatemalan Defense Minister Mario Rene Enriquez Morales said yesterday the investigations and the handling of the case of Efrain Bamaca Velasquez, commander Everardo, are endangering the Guatemalan peace process.

President Ramiro De Leon Carpio's greatest interest is to guide the peace process into a safe port, but if the Bamaca case drags on, hundreds of other charges will emerge, which will only complicate the peace negotiations. Moreover, 90 percent of these charges are false, he said.

According to the minister, the fundamental thing at this time is to create the best conditions for the negotiating process, conditions, that would be altered if hundreds of charges are filed against violations committed during the armed conflict.

This point of view, he said, is not the Army's but, rather, the government's, because Guatemala believes

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everything pertaining to the internal armed conflict, except for cases of common crime, has to be made known to the Commission of Historical Clarification.

According to Enriquez, the reason these cases should be known by the commission lies in the need to remove the political-ideological burden that exists in times of negotiation such as these and that could frustrate a successful conclusion of the peace process.

Filing a Lawsuit Against Harbury

Moreover, Enriquez said the Guatemalan state has the necessary tools to sue Jennifer Harbury, *because in the book she wrote, there are clues of her ties and sympathies for the Guatemalan rebels.*

The Army, as part of the state, he said, has been offended by the statements made by Harbury, and sufficient evidence exists to initiate a lawsuit without the need to request one from a state institution.

Enriquez said that just as the Attorney General's Office or the Prosecutor General's Office conduct ex-officio investigations, the same should occur in Harbury's case. He also ruled out that the Defense Ministry requested the legal action.

As for Harbury's request to get the U.S. Government to impose sanctions on Guatemala, he said she has the right to request whatever she wants, but it will be the authorities of her country who will decide what actions to take.

Nicaragua

Government To Protest Shooting Incident in Gulf of Fonseca

PA3105215695 Mexico City NOTIMEX in Spanish 2102 GMT 31 May 95

[FBIS Translated Text] Managua, 31 May (NOTIMEX) — The Nicaraguan Government will send a protest note to Honduras on the incident that took place today between Nicaraguan and Honduran Navy patrol boats in the waters of the Gulf of Fonseca. No one was injured in the incident.

The Nicaraguan Foreign Ministry also announced that it will ask Honduras to "immediately" release a Nicaraguan officer who was arrested on Monday [29 May] by Honduran authorities, according to the official report.

The Chamorro government is asking Honduras to overcome armed incidents through dialogue and agreements reached at the 18 April meeting of the binational commission.

Within this framework, the government announced it is going to propose a meeting between the leaders of the two countries' naval forces so they can jointly visit the site of the incident and consider the adoption of measures needed to avoid similar incidents in the future.

According to the Nicaraguan version, the incident occurred in an area of the Gulf of Fonseca that Nicaragua considers within its territorial waters. The Nicaraguan navy patrol boat was about to seize Honduran boats that were fishing illegally when it encountered resistance from the Honduran Navy.

Armed incidents are frequent between the two countries' patrol boats in the Gulf of Fonseca, partly because of the poor demarcation of each country's territorial waters.

The demarcation of the waters of the Gulf of Fonseca is on the agenda for the upcoming meeting of the binational commission, which is scheduled to be held in Tegucigalpa on 15 June.

An official communique states that the Nicaraguan Government has established contact with Honduran authorities, through Nicaraguan ambassador in Tegucigalpa Noel Rivas Gasteazoro, to try to overcome the tense situation.

Guzman, Lacayo Disagree Over 1996 Elections

PA2805170595 Nicaragua BARRICADA in Spanish 26 May 95 p 2

[Report by Carlos Garcia Castillo]

[FBIS Translated Text] National Assembly President Luis Humberto Guzman cautioned yesterday that "there will be no elections in 1996, if President Chamorro persists in not promulgating the constitutional reforms approved last February."

The parliamentarian's virtual threat was made after the ceremony to decorate Cardinal Miguel Obando y Bravo with the Medal of Honor in Gold — the first to be awarded with the unanimous vote of the legislative plenary — at the Metropolitan Cathedral in Managua, yesterday morning.

Guzman said the executive had agreed to renew the political talks with the legislative branch only because it was interested in resolving the issue of the elections of the new Supreme Electoral Council [CSE] magistrates. The term of the current magistrates ends in the first days of June. He reiterated that the National Assembly is willing to resolve the national crisis immediately, but insisted that the promulgation of the constitutional reforms has been the cause of discord in the conflict. Guzman also announced that he had proposed to the executive that Cardinal Obando y Bravo be allowed to

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intervene in the resolution of the crisis as a "guarantor" of their dialogue with President Chamorro and her cabinet.

Meanwhile, Presidency Minister Engineer Antonio Lacayo Oyanguren responded to the warnings of the National Assembly president by stating that "the elections will be held because the big parties and the government agree that they should take place. [no closing quotation mark as published] Lacayo added: "The thing is that there are groups that do not want elections because, obviously, they don't stand a chance in those elections, but there will be elections in this country because that is what it needs to secure its first democratic element."

The presidency minister talked to reporters a few minutes before holding "a closed-door meeting" with the directors of the National Conservative Party, PNC, the Liberal Alliance, and the Nicaraguan Resistance Party. Lacayo said the objective of this meeting was, basically, to continue their talks to find ways to "improve the framework" [rayen el cuadro] of the electoral system and resolve the institutional crisis in the country.

Referring to the call made by Cardinal Obando y Bravo to form the Supreme Court of Justice [CSJ] and the CSE, Minister Lacayo observed that the makeup of the Supreme Court of Justice is a judicial matter and not the responsibility of the executive.

During his thank-you speech at the special decoration ceremony, Cardinal Obando y Bravo summoned the government branches to "make an effort not to inhibit progress and the people's democratic aspirations for the 1996 elections." The Nicaraguan prelate said the startup of the electoral process could be a positive step if the two branches, executive and legislative, have the will to reach an agreement: "We are hanging over an abyss and if we are not careful, if we do not think our decisions through, we could fall."

The cardinal admitted that the worsening of the crisis has polarized the country's life even further and threatens the upcoming electoral process, which is an escape valve for the Nicaraguan people.

Humberto: Dialogue Is the Way

For his part, Humberto Ortega, the former commander of the National Army, said Cardinal Obando y Bravo's decoration is the confirmation that "historically, national crises must be resolved through dialogue and political negotiations, and Cardinal Obando incarnates such civic efforts." General Ortega assessed that "all sectors of society must pressure the government branches to establish a political dialogue and the country's leaders, who are responsible for this crisis, not to get up from their seats until they reach a definite agreement. [no closing quotation mark as published] He explained: "We cannot continue to postpone a solution. The dialogue is already on a bad track if they continue to put off the matter."

Gen. Joaquin Cuadra, for his part, pointed out that the National Army will remain on the sidelines with regards to this problem although, obviously, the institution answers to the civilian branch presided over by President Violeta Barrios de Chamorro.

Chamorro's Absence

The absence of President Violeta Barrios, her son-in-law Antonio Lacayo, CSJ President Orlando Trejos Somarriba, and CSE President Mariano Fiallos Oyanguren at the ceremony to decorate Cardinal Obando y Bravo was conspicuous. The event's front row was occupied by Vice President Virgilio Godoy, Mayor Arnoldo Aleman Lacayo, as well as Ministers Ernesto Leal and Francisco Rosales as presidential delegates.

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Argentina

President Carlos Menem Interviewed

PY3105190695 Buenos Aires TELAM in Spanish 2010 GMT 28 May 95

["Text" of interview with President Carlos Menem by MULTIMEDIO AMERICA reporter Jorge Castro during the 'Entrevista' television series produced by the Media Secretariat; place and date not given]

[FBIS Translated Text] [Menem] Welcome, Dr. Jorge Castro! We will now continue the series of talks, interviews, that we began two months ago. Many people believed that in doing so, we were taking a clearly political and demagogic attitude, but that is not true. The president of the Republic is interested in reaching out to the public — beyond electoral processes — to make them aware of what he thinks and believes is the best for Argentina. This is why we have asked top-notch professional reporters like you to talk briefly about the topics you deem of interest in light of your contact with the people through your profession. I am ready for any questions for an open dialogue.

[Castro] Thank you. First, let me to tell you, Mr. President, what a great honor it is for me to be here with you. I would now like to come straight to the point — two weeks have elapsed since you scored a resounding victory at the polls; receiving 50 percent of the vote and carrying all the constituencies except for Buenos Aires City. Congress — that is, the Justicialist bloc — has subsequently overridden several presidential vetoes on fiscal issues of paramount importance since Argentina was hit by the crisis ensuing from the devaluation of the Mexican peso. There is moreover, the central issue of patents. All this gives the impression that — correct me if I am wrong — the Justicialist bloc in the Senate and in the Chamber of Deputies moves forward in the reform process whenever it faces an emergency, but retreats once the storm is weathered. My question is: Does the Justicialist bloc in Congress share your same real sense of commitment to the reform process?

[Menem] Well, the attitude of Congress, in particular our bloc — the Justicialist bloc — is incomprehensible; it is beyond me. The legislation we sent to Congress came back with several proposals which, in our view, were not in the country's best interests. Of these we vetoed 16 substantial points; Congress overrode some of these and this put us on the spot. There is another point to be born in mind pursuant to the Constitution, which should be fully in force: We should apply the legislation contained in the GATT Agreement [that was signed in Marrakech] which became law in the country after Congress ratified it. I am thus thinking about considering — and we will study this proposal — solely the GATT legislation because all laws subsequently enacted by Congress are subordinate to this international agreement, which I reiterate, stems from GATT regulations. We will then see if we can solve the problem through an executive branch regulation — which we are empowered to do — of these GATT conclusions without changing the spirit of this law. I cannot really understand why Congress overrode legislation that I consider fundamental for our present and future in what pertains to our international relations — not just with the United States but also with the EU and the international community as a whole.

[Castro] I see. That means — if I understand your train of thought — that the regulatory decree on the act of Congress ratifying the GATT agreement stands, in which case the transitional stage for the patents system will begin on 1 January 1996.

[Menem] Right, but we can still change the regulations of the law establishing a transitional period of four or five years to give domestic pharmaceutical companies time — although they have already had more than enough time — to retrofit their production and operation structures to face this new legislation which is obviously operational worldwide. All the countries that participated in the Uruguay Round have pledged to implement this legislation in their respective countries.

[Castro] You have said you intend to confront the problem of unemployment — which currently stands at 13 percent of the total working population of the country — using the same drastic methods you used to curb hyperinflation. Taking the special case of the interior, where the restructuring of the state, the privatization of government-owned enterprises, and the downsizing of the Civil Service can no longer be postponed, how will you face a possible rise in the level of unemployment this year?

[Menem] Well, I do not think unemployment will increase. Let me tell you, Jorge, that the rate is not 13 percent. There have been some changes of late and the current unemployment rate stands at 11 or 11.5 percent. Beside the Five Year Plan and legislation for small- and medium-scale enterprises — which we will regulate some time next week — there are agreements that the Labor Ministry is signing with different institutions at different levels. The other day, for example, we signed an agreement with the Army to train the soldiers who will be incorporated this year so that they may have a profession when they finish their voluntary military service. There are also training courses, which is not something new — it was already implemented under General [Juan Domingo] Peron [president, 1946-1955; 1973-1974]. This year we will train 100,000 young

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workers, who will soon join the labor market. By means of this public works project and the new laws, we will be able to absorb the jobless labor force in the interior. Nevertheless, let us not forget, Jorge, that it is incumbent upon provincial government — governors and legislatures — to undertake this task. We cannot keep preaching the virtues of federalism and then — when the moment comes to put it into practice from the point of view of the Constitution and the state's operation — the provinces choose to disregard what a federal system of government really is. We will help by allocating funds for provinces, but they must honor the agreements they have signed. The provinces should privatize deficit-ridden public companies because, in the end, it is the federal government that must help to cover their deficit. And on whom falls the full cost of this? On the people, the people in general. Some provinces are doing things properly but, all of a sudden, the inhabitants of that province are called upon to make an extra contribution to help other provinces overcome their deficit. Things should not be like that. Our country must not function in this way — demanding federalism, but when the time comes, becoming centralist because the federal government has to keep bailing out the provinces. I approve, however, of giving them reasonable aid until they can solve their deficit problem.

[Castro] Having received 50 percent of the vote in the 14 May elections — which implied a very clear endorsement of what has been done in the economic front over the last few years — what is stopping the deregulation of workers' health insurance systems so as to enhance health care services and lower costs, especially for the poorer strata of society?

[Menem] Well, we are trying to overcome those obstacles through dialogue, in the same way we managed to transform and restructure the state through the privatization process — by talking with trade unions as well as with those who did not want to participate in the dialogue but whose views were also considered even though we went ahead with the privatization program anyway. Likewise, we will continue our talks with the sectors involved so as to make them understand that the only way to make workers health insurance systems fulfill the function for which they were intended and to provide better and more services to the insured is to deregulate them. We are working on this. We will continue these negotiations this week to speedily solve this problem.

[Castro] Could a settlement then be reached this year on the basis of a general consensus?

[Menem] Yes, we must settle this issue finally this year.

[Castro] Can we take this as an announcement?

[Menem] Yes, it may be interpreted as an announcement. Still, we have not yet reached the finish-line.

[Castro] Mr. President, at this time Chile is making important investments in Argentina that amount to some $4 billion. This shows Chile has become a powerful exporter of capital; probably due to its very high level of internal savings.

[Menem] Of course. It stems from the pension funds, from the capitalization that we should have implemented 3 years ago. We began a little more than 1 year and we already have an important sum. Regrettably, we lost between $5 and $6 billion, but now the system is functioning.

[Castro] Pending territorial problems must be resolved if this very important integration process with Chile through investment and trade is to be consolidated. If not these problems could become a source of uncertainty for the integration process and for national and international investors. What is the state of the pending border problems with Chile?

[Menem] When we assumed the government, and later when Dr. Patricio Aylwin became president of Chile, there were 24 pending border problems. We met here in Argentina and decided to resolve these age old problems. We overcame 23 of these problems, including Laguna del Desierto, which was submitted to international arbitration with the result that is known to everyone: For the first time in history Argentina was favored in a border dispute, in an arbitration process. We now have just one problem: The Continental Glaciers, which is in the Argentine and Chilean Congresses pending ratification. While there is no pre-determined timetable, I hope it will be resolved as soon as possible because we are advancing, not just toward an integration from the viewpoint of a free trade zone but also toward a territorial integration, which was one of the big dreams of our forefathers and more recently of Gen. Peron. Chile will join Mercosur [Common Market of the South]. I consider it a fact and a desire of the Chilean Government. Bolivia and Ecuador will probably join as well, thus more than half the Latin American continent will be involved in this integration process. This must be resolved within a prudent period of time, and thus border problems with neighboring country must end.

[Castro] Will you push the Argentine Congress to approve it?

[Menem] Of course, one must always push so it will be approved quickly. Yet congressmen must be given freedom of action. The same thing is happening in Chile.

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[Castro] With respect to the situation with Brazil. There is the impression that there is a strong tendency toward a convergence between the two countries. From the viewpoint of the economic policy there is an acceleration of the reform of the 1988 Constitution in Brazil, and from a viewpoint of the foreign policy there is rapprochement between Brazil and the United States. What is the next step in the relationship with Brazil, Paraguay, and Uruguay? What is the next step after Mercosur, considering it was largely implemented in accordance with what was agreed in Asuncion?

[Menem] You know very well Mercosur implies an integration process beyond a free trade zone. It is not just a geo-economic matter; it is also geo—political and, of course, geographical. We must continue to advance so that what happened in Europe will also happen in this part of the continent. There will come a time when internal barriers between countries fall and then there will only be external barriers. Taking this into account, and it is working very well, we will continue to advance in this continentalization that was opportunely proposed by the United States; first by President Bush and then by President Clinton at the Miami Summit. These are the tasks we are working on. A great and auspicious future awaits us; with good results from the transformation process we implemented in Argentina. We have won five elections during the 6 years we have been in government. We have received support and consensus, evidently due to the policies we implemented in the political sector — like the constitutional reform, advanced legislation, and of course the economic, social, and internal policies.

[Castro] Now we have a long period of some 30 months without any elections.

[Menem] Thank God.

[Castro] Yes, thank God. The government has just received a very important ratification of what it has done during these past 6 years through the 14 May elections. Isn't this the moment to fully exercise your political power, especially as the 1999 elections, in which you cannot run, get closer and closer?

[Menem] Of course we will exercise it, but in a balanced form as a statesman — especially the president of the nation — would do with the power the people have given us. The people have given us this power and we have to comply with all that we have promised over these past 6 years, and especially with what we promised during the election campaign. Within the framework of the law we will use the power the people have given us. We will do so without any deviation and we will do so fully maintaining democracy, freedom, and respect for human rights in such a way that we will not harm the life style that we Argentine have obtained after many years of struggle.

[Castro] Thank you very much, Mr. President.

Extradition of Lebanese, Possible 'Terrorist' Links Viewed

PY0106024295 Buenos Aires LA NACION in Spanish 30 May 95 p 15

[Article by Ricardo Larrondo]

[FBIS Translated Text] With the upcoming arrival of the seven Lebanese extradited from Paraguay, our courts could navigate in a sea of suspicion and hit a dangerous iceberg. In other words, what can be seen on the surface would only be a part of what is really hidden below the water: An international terrorist organization.

This was the assessment that was being made last night by court, security, and intelligence officers when they were evaluating the imminent arrival of these six men and one woman, three of whom are presumed to have connections with the terrorist group Hizballah.

However, for the time being, the real reason for the extradition was expressed by Judge Roberto Marquevich, the federal judge of San Isidro: The link that these people have with the arsenal that was discovered in the house of Alejandro Sucksdorf, a former civilian intelligence officer attached to the Army, located in the Tigre River delta.

Some 25 kg of TNT, anti-tank grenades, and munitions in bulk were the cause of Sucksdorf's arrest. But, the investigation did not stop there.

At the beginning of February 1995, on another island in the delta, Buenos Aires Province police discovered more weapons and empty shells of the caliber of the rifles that were found in Sucksdorf's home.

According to what a high-ranking source participating in the investigation opportunely told LA NACION, however, the most significant point was the discovery of a blank identity document that contained a small piece of ragged paper with the words: "For Sergio."

Intelligence work revealed that the name on the piece of paper belongs to Sergio Rodrigo Salem, a Lebanese citizen who was arrested on drug trafficking charges together with six of his fellow citizens in Asuncion, Paraguay.

At the same time, the investigation in Buenos Aires was yielding results.

The land on which Sucksdorf's home is located, close to the island of businessman Mario Falak, which President

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Carlos Menem visits frequently, was presumably used for military exercises by several persons with Middle Eastern features. Therefore, it is thought that Salem and some of those who are now under arrest in Paraguay participated in these exercises.

Marquevich based his extradition request, which has now been granted, on this hypothesis and other evidence.

When the name Hizballah emerged, the investigators, up to a certain point, linked it to the bombing of the Israeli Embassy and AMIA [Argentine-Israeli Mutual Association] headquarters.

It was made known during the last few hours of 29 May by the office of Federal Judge Juan Jose Galeano that in his investigation of the AMIA case, he had no evidence to request the extradition of the Lebanese; therefore, at this time they cannot be linked to the terrible terrorist attack.

The same mood was being felt last night on the 4th floor of the Hall of Justice. There, the Supreme Court, which is looking into the attack against the Israeli Embassy, is awaiting the arrival of the Lebanese and their testimony.

The investigators, who have confidential information that has been provided by the FBI and other international security organizations, have no doubt that one of the seven Lebanese was or is active in a terrorist organization, and that he may have participated in attacks in various parts of the world.

The Argentine courts will learn the size of this iceberg when the seven Lebanese arrive in our country. A high-ranking source told LA NACION last night: "Everyone links them (the Lebanese) with the attacks against the AMIA or the Israeli Embassy, but the investigation that we are carrying out has not produced any evidence to this effect. At this time, there is nothing. When we question them about the arsenal that was found in the delta, we will determine whether they know anything else."

Bolivia

Teachers Union Leaders Released; Strike Suspended

PY2605150995 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 26 May 95

[FBIS Translated Text] La Paz Urban Teachers Union leaders Wilma Plata, Gonzalo Soruco and Jose Luis Alvarez were released yesterday after 64 days in jail. This was in response to a request on 19 May by Minister of Government Carlos Sanchez Berzain and enacted by Judge (Betty Yaniquez.) The judge established a fine of 5,000 bolivianos, plus 100 bolivianos for court expenses for each of the union leaders. After the minister of government paid the established fine, the three union leaders were released from jail yesterday at 1717.

They immediately headed for the Teachers Social headquarters where they held a news conference. Wilma Plata and Gonzalo Soruco were arrested on 21 March. One week later they were transferred to the Obrajes Women's Jail and the San Pedro jail, respectively. Jose Luis Alvarez was arrested on 31 March and one week later transferred to the San Pedro jail.

The three union leaders began a fast on 10 May to demand their release and the reinstatement of those teachers fired as a result of the recent general strike.

The government on 17 May removed the union leaders from jail to hospitalize them in different clinics to save their lives and to undergo rehabilitation treatment.

At the news conference the union leaders showed signs of weakness. Union leader Wilma Plata confirmed this to the ERBOL news agency. She said that after the last two consecutive fasts, she is feeling weak. She also showed bruises on her arms and legs she sustained when the police violently removed her from the women's jail to take her to a local clinic.

Wilma Plata said her morale and health have been strengthened with the struggle that grassroots organizations have undertaken against government policies.

Plata said COB [Bolivian Labor Federation] leaders have signed what she described as a treacherous agreement with the government. Wilma Plata added that this agreement is an offense to the sacrifice and heroism of Bolivian workers.

The La Paz Urban Teachers Union lifted the 24-hour stoppage it was scheduled to stage on 26 May. Union Leader Rene Pardo informed the ERBOL news agency that school activities on 26 May will be normal.

Pardo explained that because union leaders Wilma Plata, Gonzalo Soruco and Jose Luis Alvarez have been released, there is no reason to stage the stoppage. The La Paz Teachers Union Federation had given an ultimatum to the government that expired at midnight last night demanding the release of the union leaders but they were released yesterday just after 1700.

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Brazil

Spokesman Confirms Central Bank President's Resignation

PY3105220995 Sao Paulo AGENCIA ESTADO in Portuguese 2121 GMT 31 May 95

[FBIS Translated Text] Brasilia, 31 May (AE) — Planalto Palace spokesman Sergio Amaral has confirmed Central Bank [BC] President Persio Arida's resignation. Amaral said President Cardoso has accepted Arida's resignation, which was prompted by personal reasons. Amaral added that Arida's resignation has been considered for a few weeks. Asked if the high interest rate policy will continue, Amaral said: "The interest rate policy, which has been formulated by the economic team, will continue." Amaral noted that President Cardoso deeply regretted Arida's resignation, and he added that Arida will continue to cooperate with the administration.

[Sao Paulo AGENCIA ESTADO in Portuguese at 2059 GMT on 31 May, in another report on Arida's resignation, notes the following: "Government sources said that despite his having resigned, economist Persio Arida will continue to serve as BC president until the Senate confirms Gustavo Loyola as the new BC president."]

Central Bank Head Reportedly Ready To Resign Since March

PY3105221895 Rio de Janeiro Rede Globo Television in Portuguese 2130 GMT 31 May 95

[FBIS Translated Text] Central Bank [BC] President Persio Arida has resigned. Journalist Alexandre Garcia has more from Brasilia:

[Begin recording] In his resignation letter, Arida claimed personal reasons for his decision. Arida has just conifirmed that his reasons were indeed of a personal nature. In March, he was annoyed by the criticism leveled at him and decided to resign. Yet, President Cardoso asked him to stay. Later, Arida time and again insisted on leaving the administration, but the president persuaded him to stay. Finally, Arida decided that he would stay only until the end of May to give the president time to appoint his replacement.

Arida's replacement will be Gustavo Loyola, who already served as BC president in the past. [end recording]

Jobim Urges Reform of Judicial System

95SM0344A Rio de Janeiro JORNAL DO BRASIL in Portuguese 12 May 95 p 4

[Article by Ricardo Miranda, Carlota Araujo, Jorgemar Felix, Monica Dallari, Marcia Gomes, and Roselena Nicolau: "Jobim Advocates External Supervision of Judicial Branch"]

[FBIS Translated Text] Brasilia—Minister of Justice Nelson Jobim yesterday advocated external supervision of the judicial branch as a means of placing limits on abuses and overseeing the actions of judges. Jobim said that sometime this year, following broad debate, the administration would send Congress a proposal for reforming the judicial branch and that the proposal would include external supervision.

In the minister's opinion, the reports published in JORNAL DO BRASIL since Sunday regarding the Brazilian judicial system have helped open up that debate to the public. "Reform of the judicial branch must be carried out. The only reason we are not doing it now is that we want to avoid congesting Congress' agenda of reforms," the minister explained. "The idea of supervising the judicial branch is more than timely," he said.

"The judicial system must exist for everyone, not just those who can pay a good lawyer," says Deputy Augusto Carvalho (PPS [Popular Socialist Party], Federal District), member of the Committee for Oversight and Control in the Chamber of Deputies. He was the deputy who made his office available so that JORNAL DO BRASIL would have access to the Integrated Financial Management System (SIAF), where all of the federal government's expenditures are recorded. "They are really wasteful of public money," the deputy said with reference to the superior courts. He is going to resubmit the amendment eliminating class representation in the labor courts, which are among the judicial branch's biggest spendthrifts.

Inexcusable

In the view of Celio Borja, former minister of justice and former judge on the Federal Supreme Court, the perks enjoyed by judges of the superior courts are unpardonable. "The judge is not a god. Like any other human being, he is subject to the temptations of power, money, and a luxurious lifestyle," Borja said. "But none of that is naturally part of being a judge. When a judge does wrong, he must be censured," the former minister said.

According to Borja, "the country's moral conscience has evolved," and everyone is now more vigilant against

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abuses committed with public money. Borja said that the figures revealed in our report were "overwhelming" and "shocking": over 100,000 cases awaiting trial solely in the superior courts. He pointed out that whereas the U.S. Supreme Court hears a maximum of 300 cases per year, the Brazilian Federal Supreme Court tries 22,000 cases per year.

"The report in JORNAL DO BRASIL is extremely important and renders an outstanding service to the citizens," said attorney Marcio Thomaz Bastos, former president of the Brazilian Attorneys Association (OAB) and another supporter of external supervision of the judicial branch. "Without external supervision, we will not have a fast and accessible justice system close to the people. The justice system we have seen portrayed is not the one we want," he said in conclusion.

Attorney Jorge Rodrigues Fernandes, president of the Committee of Social Security Attorneys of Nova Iguacu, Rio de Janeiro, for example, points out that there have been no legal actions by judges in that municipality for five years. "While the court system is slow everywhere in our country, here in Rio de Janeiro it simply does not function," he complains.

The former secretary of justice in Sao Paulo under the Franco Montoro administration, criminal attorney Jose Carlos Dias, feels that it is necessary to "debureaucratize the courts." "A slow justice system encourages a lack of faith in the courts. And those sluggish courts are a factor encouraging crime because they generate increasing impunity," argues Dias, who was president of the Sao Paulo Commission on Justice and Peace.

Judges Spared Court Severity

Over the past two years, the Special Branch of the Rio de Janeiro Court of Appeal, consisting of the 25 oldest appellate judges, received 19 proposed penal actions against judges. Only four of those—22 percent—resulted in prison sentences, most of them for corruption. What happens in Rio de Janeiro is a reflection of what happens all over the country, where the tendency of members of the judiciary is to show more lenience when their peers are the defendants.

The case of Jose Maria Boris Gehlen, a judge in Rio Grande do Sul, is a good illustration of the situation. Accused of embezzlement, Gehlen got his case dropped last 10 March because the statute of limitations ran out after the case had dragged through the Rio Grande do Sul Court of Appeal for 16 years. During that period, six relators had worked on the case.

Most of the complaints against judges do not become criminal cases and for that reason do not come before the special branches of the state courts of appeal. Matters considered administrative in nature—delayed judgments being one example—are investigated by the councils of justice, which have authority to punish only by censure or warnings, and they are even less rigorous than the special branches. In Rio de Janeiro, the council has examined 320 cases over the past two years, and 90 percent of those were rejected. Of the 597 complaints recorded in Sao Paulo between January 1994 and April of this year, 391 were rejected.

"A Monster"

During his disciplinary hearing, a judge can retire even before learning what his sentence is. A possible conviction does not prevent him from continuing to receive a judge's retirement pay. That was what happened in the case of Judge Ademir Afonso Guimaraes of Rio de Janeiro, who was accused of trying to extort $100,000 from notary Manlio Correa of the 24th Notarial Office in Barra de Tijuca. Guimaraes retired last year as soon as his case reached the special branch.

This week, Guimaraes was the target of another accusation. He was accused by the public prosecutor in Rio de Janeiro, Hamilton Carvalhido, of having defrauded the National Social Security Institute (INSS) back when he was head of the Itaguai District Court. The special branch will decide within the next few days whether to remand him to custody as requested by the Public Prosecutor's Office.

Some judges view the Organic Law on Judges (Loman), which regulates activities by judges, as being the cause of the problem. In the opinion of Antonio Carlos Amorim, former presiding judge of the Rio de Janeiro Court of Appeal, Loman is "a monster: a piece of backwardness that is not worth anything." He points out that a bill to amend Loman has been before Congress for over three years. "What are the congressmen waiting for? We want to do much more, but we cannot," Amorim says.

Official Gives Corrupt Judges no Respite

Belo Horizonte

For at least 20 years, a former employee of the Minas Gerais Regional Labor Court (TRT), Ari Cesar Pimentes de Portilho, 55, has been a "rock in the shoe" of judges on that court. The author of serious charges involving the judges, Portilho has paid dearly, and is still paying dearly, for his impudence. He has been sued 16 times for slander, libel, and defamation. In 15 cases he was acquitted, and he has appealed his conviction—handed down a little over a month ago—in the 16th case. Meanwhile, the people he accused have not suffered at all, but the TRT has been bombarded by scandals.

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The latest "bomb" was thrown at Judge Michel Francisco Melin Abujerli, who until four months ago was presiding judge of the TRT. Removed from that position on charges of corruption—among other things, he allegedly accepted money for the appointment of class judges—Melin is being tried by his own colleagues and is engaged in a rowdy quarrel with them. In his defense, he claims that his resistance to appointing and renewing the terms of judges recommended by colleagues was what provoked the quarrel.

Actually, the TRT is now experiencing a second wave of scandals. The first was provoked by Portilho, who in the mid-1970's accused judges of corruption, nepotism, and illegal administrative acts. At the time, he was sued by all the accused. He escaped unscathed from those lawsuits, but the judges involved were not even investigated.

Now, on the basis of Portilho's accusations, the Attorney General of the Republic has begun investigating the TRT's illegal actions involving Judges Darcio Guimaraes de Andrade, Renato Moreira Figueiredo, Luiz Carlos da Cunha Avellar, and Alfio Amaury dos Santos (who was also accused in the 1970's).

Documents

Portilho has provided the government attorneys with documents proving the receipt of illegal per diem payments, the appointment of relatives, and even tax evasion. The cases are being handled by the Seventh Federal Judicial District in Minas Gerais.

Of those accused, only Judge Darcio Guimaraes de Andrade is suing Portilho for slander and defamation. He has already won his case in a court of first instance but will have to await the outcome of the appeal. Among other things, he was accused of giving his son and daughter-in-law jobs with the TRT.

Playing the role of guardian of the courts has carried a high price for Ari Portilho. After 31 years, 10 months, and 28 days of working for the TRT (as court technician and case distributor) and seven more years in private business, he is trying to obtain a pension from the TRT. But a procedure that normally takes less than a month from start to finish has already dragged on for seven months. Judge Darcio Guimaraes even asked that the case be investigated despite the fact that the TRT's Directorate of Personnel Service had approved the pension.

Charge of Embezzlement Brings no Punishment

Porto Alegre

The Rio Grande do Sul Court of Appeal allowed a case in which Judge Jose Maria Boris Gehlen was accused of embezzlement (the stealing of public money) to drag on for 16 years until it lapsed last 10 March because the statute of limitations had run out. Thanks to appeals and the complicity of the appellate judges, Gehlen was able to keep postponing his trial. The case had six relators alone. The most recent of them, Oswaldo Proenca, spent six years on the case.

"The impression is one of partnership among the judges," admits the court's spokesman, Appellate Judge Moacir Danilo Rodrigues. He has "apologized" to the public for the episode.

Gehlen was accused of diverting to his own pockets 10,272 cruzeiros intended for the Camaqua Notarial Office in 1977. The chief disciplinary judge, Appellate Judge Decio Erpen, said his case was "an exception." But in 1989 the court had to reopen more than 200 cases shelved by an appellate judge who had retired without ever trying them.

Scandal Ends Arbitrary Conduct

Salvador

During the eight years that Judge Antonio Fernando Ramos, 59, was responsible for the Ribeira do Pombal Judicial District 256 kilometers from Salvador, the town's population was the victim of persecutions and abuses of authority. Ramos was removed from office after a clerk named Jacinelde Araujo Reis Souza decided to tell everything she knew, and she did not leave out even the judge's amorous relationship with Private Carlos Roberto Gomes da Silva of the Military Police.

Retaliation by the judge was aimed at the clerk's husband, Domingos Salvio Silva Souza, who was held in jail for six months. To prove his innocence, Jacinelde sold everything she had except the house where she lives with her children.

She was one of 52 individuals testifying against the judge at the session held by the Special Disciplinary Court presided over by the chief disciplinary judge himself, Edmilson Jathai Fonseca, in Ribeira do Pombal.

In her statement, Jacinelde says that the judge "sexually pursued" PM [Military Police] Private Carlos Roberto Gomes da Silva, who left his wife and son to go live with the judge. "That cohabitation was a public and well-known fact in Ribeira do Pombal and the neighboring towns," Jacinelde said in her statement.

Lenient Courts

Complaints and lawsuits against judges in Rio de Janeiro between 1991 and 1995 were handled as fol-

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lows, according to the Judicial Disciplinary Office in Rio de Janeiro State:

1991: total cases: 87; convictions: 5; no action: 82; 1992: total cases: 69; convictions: 6; no action: 63; 1993: total cases: 81; convictions: 4; no action: 77; 1994: total cases: 66; convictions: 4; no action: 62; 1995 to date: total cases: 17.

According to the Sao Paulo Judicial Disciplinary office, there were 597 complaints in Sao Paulo between January 1994 and April 1995. No action was taken on 391 of those complaints, and 106 are still being pursued.

There were a total of 67 disciplinary cases during that period, and 33 of those are still being pursued.

Penalties were applied in 24 cases (censure in six cases and warnings in 18 cases).

In addition, seven judges were removed from office, two were removed but have returned to office, three judges removed from office have retired, and 10 judges have been placed on leave.

Judges as Defendants

Law of Silence

Between 1990 and 1994, the Pernambuco courts received 130 complaints against judges. Of the 73 (56 percent) tried by the Council of Justice, 18 (13.8 percent) were considered justified, and the result was censure in 10 cases, four warnings, and four suspensions of salary (in the case of judges who had not appeared in their judicial districts). In the criminal area, the Special Organization of the Court of Appeal declined to say how many judges were or are defendants in criminal cases. The only case made public since 1992 was the trial of Judge Alcides Pericles Caminha, who was removed from the Abreu e Lima Judicial District (in Greater Recife) and accused of accepting bribes to speed up the adoption of minors by foreign families. Last year, Judge Gilberto Augusto Correia Gondin accused nine colleagues of corruption. One of the accused, Celio de Castro Montenegro, has been promoted to appellate judge on the basis of seniority.

Judged by Colleagues

The former presiding judge of the Minas Gerais TRT, Michel Melin Aburjeli, who is accused of corruption, administrative problems, and nepotism, will be tried by his own colleagues on the TRT. Melin was removed as presiding judge in January to allow time for the investigation of charges that he accepted bribes in connection with the appointment of class judges.

Accidental Shot

Judge Marcos Vinicius dos Santos of the Camocim Judicial District in Ceara was removed in February after shooting his brother-in-law. The Disciplinary Office of the Court of Appeals accepted the explanation that it was an accident, but the Council of Justice ordered him removed pending an investigation. But according to Appellate Judge Carlos Facundo, there are also complaints about the slow progress of trials in the Camocim Judicial District.

Tax Evasion

In Sao Paulo, there is no greater encouragement to evade taxes than the state's Tax Enforcement Court. Notices are made out by hand and stapled to the relevant documents. The Municipality of Sao Paulo alone has over 800,000 IPTU [urban real estate and property tax] bills to collect.

Changes

Deputy Nicias Ribeiro (PMDB [Brazilian Democratic Movement Party], Para) is going to submit a proposed amendment to the Constitution that will change the rules for selecting judges for the Federal Supreme Court (STF). Under his plan, it would be compulsory to select them from a list of three career judges submitted to the president and approved by the Senate. Currently, according to the Constitution, such judges must have "an outstanding knowledge of the law and an unblemished reputation." According to the deputy, those requirements are "extremely subjective and difficult to verify." Another amendment, this one by Deputy Marconi Perillo (PP [Progressive Party], Goias), stipulates that ministers of the National Accounting Office (TCU) must be approved in a public competition. Currently, they are chosen from among judges, administrators, engineers, and architects with "moral fitness and an unblemished reputation" and with over 10 years' experience in their fields.

Jurist Scores Deficiencies in Judicial System

95SM0339A Rio de Janeiro JORNAL DO BRASIL in Portuguese 14 May 95 p 12

[Interview with jurist Dalmo de Abreu Dallari by Jorgemar Felix; place and date not given: "Crisis in Courts Is Leadership's Fault"—first paragraph is JORNAL DO BRASIL introduction]

[FBIS Translated Text] *With the independence conferred on him by his 40 years in the profession and his 63 years of age and the detachment of someone who currently represents only Indians in court—and who, therefore, can say what he wants without being harmed—jurist*

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Dalmo de Abreu Dallari is a feared voice when he opens his mouth to criticize the judicial branch. That is his main activity at the moment. Before going abroad to teach law in the United States and at Nanterre University in France, Dallari is going to leave behind in Brazil a book criticizing the judicial branch. It is still untitled, but its pages, according to its author, will be shocking. In this interview, the attorney, who is a member of the International Commission of Jurists, an NGO (nongovernmental organization) with a seat in the United Nations, releases a few of his barbs. Although he brings a charge of disregard for justice against every organization from the Senate to the executive branch, what Dallari really condemns is the leadership of the judicial branch. "It is the leadership that is guilty, because it likes to receive little favors, and in return, it does not fight to modernize the branch," he says. The attorney also destroys the most controversial myth of the moment: external supervision of the judicial branch. He points out: "In no way is that supervision external, because it will also include the participation of judges."

[Felix] What are your main criticisms of the judicial branch?

[Dallari] In practice, the judicial branch has not been fulfilling its social and constitutional role because of gaps that are very serious. One is the gap between the government and the people. I had the experience of speaking to shantytown dwellers about the law, guarantees, and protections. One shantytown woman interrupted me to say that all that was very nice, but that it was not for them. Unfortunately, that is true. There is also the gap between the leadership of the judicial branch and its rank and file—that is, the judges of first instance.

[Felix] Is that last-mentioned gap the cause of the first?

[Dallari] It might be. The judges work hard, but without much obvious result. There is debate in Brazil about reforming the judicial branch only as far as the Federal Supreme Court is concerned. The minister of justice himself is approaching it in that way. There is not a word about the first instance level. But in terms of guaranteeing law for the people, it is the first instance level that is most important.

[Felix] Why don't the people use the judicial system?

[Dallari] The judicial system is very expensive. One must have a lawyer, pay costs, and produce evidence and experts in order to have access to the courts. Justice is sold; it is never given. This came into existence immediately after the French Revolution, when a new concept of the court system was established and turned out to be a good way to make money. Anyone who lacks the money to buy justice does not get any. And the system ensures that the one who has more money gets more justice.

[Felix] But does this mean that your only clients today—the Indians—do not obtain justice?

[Dallari] Conflicts between a native group and a big company or landowner always involve a need for expert opinion on anthropology, topography, and so on, and that costs a lot of money. Neither the Public Prosecutor's Office, which is supposed to protect the natives, nor the natives themselves have any money. But a company always does, and it has the advantage.

[Felix] What changes need to be made to facilitate access to the court system?

[Dallari] A change in mentalities. The judicial branch is very passive; it only reacts if stimulated by someone. That is very obvious in the administrative area. The judicial branch is just as important as the other branches, but it takes a back seat to the executive and legislative branches. That has consequences.

[Felix] What are they?

[Dallari] One is the fact that the judicial branch presents its proposed budget, based on its requirements, to the executive branch, which then eliminates a good portion of it. The judicial branch accepts that without discussion. Then the legislative branch makes more cuts. And then the judicial branch comes along saying that it is not modernizing itself because it has no money.

[Felix] Is that the biggest obstacle to modernization of the judicial branch?

[Dallari] I can give an interesting example. Many years ago, it was discovered that the Parelheiros region—the poorest in Sao Paulo but with a large population—needed a judge so that the people would not have to go to Santo Amaro. The court proposed the establishment of a judicial district, but it had no building, nor did it try to obtain funds. Finally, two years ago, the judicial district was set up, oddly enough, in the Santo Amaro Courthouse. It was a joke. But what was most serious was that the court received $35 million last year to build a new courthouse and improve working conditions—which are already good—for the appellate judges. But it does not have $50 million with which to buy a building in Parelheiros.

[Felix] Is the leadership more concerned with solving the problems affecting it than with improving service to the citizens?

[Dallari] Precisely. There are two factors that explain that corporatism. When anyone criticizes a court, the

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court immediately claims that it is the judicial branch that is being criticized. It is very similar to what has been happening in Brazil with respect to the armed forces. When it is said that the Supreme Court acted wrongly, the courts claim that that is a criticism of the judicial branch, and then the judges react as a corporate body. That is what is happening today in connection with the issue of supervision of the judicial branch.

[Felix] Are the judges of first instance also not in the habit of complaining?

[Dallari] It is rare for a judge of first instance to grant an interview and make a public statement. If he did, he might be punished. There is a disciplinary office that is very strict with the judges. If an appellate judge or a minister speaks against the proposed supervision of the judicial branch, the first thing he says is that he is opposed to "external" supervision. I don't know of any proposal that does not include judges in that supervisory body. So the supervision will be mixed, not external. The second factor is that they are very deliberately confusing administrative supervision and the supervision of legal decisions. It is obvious that supervision of legal decisions is not desired, because that cancels and takes away the independence of the courts. What is being proposed is supervision of the administrative side of things.

[Felix] A poll conducted by the IDESP [Sao Paulo Institute of Economic, Social, and Political Studies] showed that 84 percent of the judges were opposed to external supervision. Is disinformation or manipulation of the debate taking place?

[Dallari] It is manipulation. The question was whether the judges were favorable to external supervision. It was worded incorrectly. What is being sought is administrative supervision.

[Felix] Who would be affected by that supervision?

[Dallari] That supervision would affect the judicial leaders in particular, who are completely unsupervised at present. The court of appeal includes a disciplinary judge who is also an appellate judge. That disciplinary judge is never going to start proceedings against another appellate judge.

[Felix] Is the leadership of the judicial branch responsible for that situation?

[Dallari] It is a combination of several historical factors. The mentality, the excessive formalism, and the very language used by judges—all of that contributes to the backward state of things. A judge usually blames an excessive number of appeals. But anyone who examines court cases finds that many times the judge contributes to the procrastination by issuing rulings that serve to delay matters. This also happens in courts of first instance. When a trial becomes complicated and fills many volumes, the usual thing is for the judge to keep delaying matters until he is promoted. That leaves the problem for whoever comes next.

[Felix] The erudition and formalism of the judicial branch are unattainable by the ordinary citizen. Do you see a need to simplify things?

[Dallari] I had a very interesting thing happen during Collor's trial. A few minutes after it started, I received a telephone call from a TV station complaining that no one was able to understand what the judges were saying—whether they supported Collor or were against him. I ended up going there to translate. Many times even the attorney has difficulty. That defect is not just the fault of the judges; it is also the fault of the judicial system and the law schools, which are more interested in teaching procedure than in teaching law.

[Felix] Does the excessive number of laws and amendments to the codes harm the judicial system?

[Dallari] That is closely linked to the defect of formalism and legalism. The Constitution provides that when the Supreme Court decides that a law is unconstitutional, it must notify the Senate, which then declares that law invalid. But the Senate has not been doing so.

[Felix] Why does that happen?

[Dallari] We are going through a phase in which it is felt that the important thing is the economy. Law is a formality—a word game that serves merely to confuse matters. That was made obvious by the extremely poor technical quality of the proposals submitted to Congress by Fernando Henrique. If his bill on social security passes, he will be forced to leave office. The bill says that a retired individual is prohibited from holding office. He is a retired individual, and he holds office.

[Felix] Is this true of the PT [Workers Party] as well?

[Dallari] My possibilities for exerting any influence on the PT are slight. On more than one occasion, I have found that the party's attitude is to consider the legal debate secondary. This happened in the debate about Collor's order to freeze savings. I and Fabio Comparato went to the PT and showed that it was unconstitutional and that the proper response would be a writ of security or a petition to have the action declared unconstitutional. They said that we should not waste time with formalities and that the important thing was to debate the economic effects.

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[Felix] Does the fact that the judges on the Supreme Court are appointed by the president of the republic interfere with their decisions?

[Dallari] It does in the case of some judges, but not in the case of others. A lot depends on the personality of each one, his intellectual level, and his psychological stability. That was made obvious during Collor's trial. Some judges acted with complete independence. Others did not. Judge Carlos Velloso, for example, has always demonstrated a great deal of independence. And Judge Ilmar Galvao said, even before the trial, that he was very distressed because he had been appointed by Collor. The fact is that more care needs to be taken in appointing judges. The president nominates them and the Senate holds a public hearing and then decides. What we have seen is that the Senate has been completely remiss in that area. The last time a judge was nominated for the STF [Federal Supreme Court], the Senate did not even hold a hearing. There are many other cases where no one checks to see whether the candidate nominated by the president actually meets the requirements: an unblemished reputation and outstanding legal knowledge. This has led to some very bad choices.

[Felix] Do you believe there should be participation by the people?

[Dallari] The people have no information about the selection process, and here I include even people in the legal area. Attorneys are often surprised by the appointment to the Supreme Court of someone that nobody ever heard of. Ilmar Galvao is one example, and Collor's cousin, Marco Aurelio Mello, is another. The Supreme Court has become a showy source of jobs.

[Felix] Is this true only of the Supreme Court?

[Dallari] It happens with other courts as well. For example, Antonio Amorim, who was presiding judge of the Rio de Janeiro Court of Appeal, several times behaved in ways completely incompatible with his position as presiding judge of the court. He attended the World Cup games as a guest of the CBF [expansion unknown], and took his whole family, and that happened after he learned that the president of the CBF had a number of lawsuits pending in the courts. No secret was made of it, and that is highly negative.

[Felix] And is there corporative protection for such things?

[Dallari] What has happened is that in Brazil today there is a reaction even within the judicial branch. In Sao Paulo there is now a movement called Judges for Democracy that wants openness—more internal democracy—in choosing the presiding judge of the court of appeal—the disciplinary judge. The judges should also have some influence because they live within the judicial system—they are victims of the things that are going wrong. Lawsuits against judges are handled in secret. That makes it difficult even for judges to defend themselves and provides an opportunity for many arbitrary actions. The judicial branch still holds many secret sessions, which is something that ought not to happen.

[Felix] Is the case in which punishment was meted out to the judges involved in defrauding social security in Rio de Janeiro an exception?

[Dallari] Precisely: It was an exception to the rule. This brings up once again the question of the need for internal democracy and of the leadership's responsibility. Systems of promotion in the judicial branch are also strongly hierarchical and subject to political influence.

[Felix] Why are the judicial branch's facilities in such a precarious state?

[Dallari] Here again, it is a question of the leadership, which, generally speaking, is very fond of receiving little favors. And it does not fight for the judicial branch's rights—it does not fight to keep the budget from being cut. All one has to do in return is name a viaduct after the Court of Appeal, and they are all very happy and anesthetized. Send tickets so the appellate judges can attend the Brazil Derby or the Municipal Theater. It is serious to say things like this, but they are true.

[Felix] They are easily anesthetized.

[Dallari] That anesthetization procedure is very cheap. Here in Sao Paulo, that viaduct that was named after the Court of Appeal is ridiculous. That viaduct is 7 kilometers from the courthouse and has nothing to do with it. So why call it the Court of Appeal? Simply to anesthetize. And the judicial branch feels honored; it is happy. The only thing is that while all that is going on, it has no money with which to install computer systems, but it accepts the situation.

[Felix] Has the judicial branch in Sao Paulo been anesthetized a great deal in recent years?

[Dallari] Very much so. I have a specific piece of information that is impressive. The Tax Collection Court is located on Liberdade Avenue. Enforced collections for both the state and the municipality pass through that court. It has about 800,000 municipal credits and an equal number for the state to be collected. They represent taxes that have not been paid and are not being collected because the judicial branch does not have employees and has not been computerized so that it can enforce those collections. That favors the tax evader.

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And many tax evaders know it and do not pay their taxes.

PT Dissidents Promote Privatizations

95SM0335A Sao Paulo VEJA in Portuguese
3 May 95 pp 38-39

[Unattributed article: "Double Identity"—first paragraph is VEJA introduction]

[FBIS Translated Text] *The party leadership is trying to punish deputies favorable to reform, while its mayors are promoting privatizations.*

Two scenarios being played out 2,900 km from each other provided a notion last week of the extent of the dilemma being faced by the Workers Party [PT]. On Monday, the national leadership of the PT met in Sao Paulo to box the ears of three of its federal deputies: Jose Genoino, Eduardo Jorge, and Paulo Delgado. Reason: The three are involved up to their elbows in the debates and conspiracies connected with constitutional reform, which calls for privatizations and the breaking up of the state monopolies, whereas the party's official position is that its members are not to fiddle with the Constitution. Three days later, on Thursday, a demonstration sponsored by the Sole Workers Center (CUT) and the PT itself attracted about 1,500 people to the central square in the remote city of Quixada (population: 70,000) in the interior of Ceara. Purpose: to support the privatization program proposed by its mayor, Ilario Marques of the PT. The plan by Marques, a 39-year-old physician, includes the sale of 334 pieces of municipally owned property and the privatization of various services, including a hotel run by the municipality.

The PT is confronted by a problem facing any political party that finds itself in the role of the opposition and the government at the same time. As the opposition, the PT wants distance between itself and constitutional revision, the breakup of the monopolies, and the privatizations—or at least it says it does. Lula went so far as to court FHC [Fernando Henrique Cardoso] immediately after the inauguration and even renounced his position as number-one boss of the opposition, saying that he would merely be a "monitor of the program" presented by the PSDB [Brazilian Social Democracy Party] administration. He only started talking louder as the popularity of Planalto Palace began to decline and the CUT began harassing FHC with protest demonstrations.

As the government in 52 municipalities and two states, the PT has other problems to solve. Governor Cristovam Buarque of the Federal District has already been faced with protests by government employees affiliated with the CUT. Like their colleagues in the PFL [Liberal Front Party] and the PMDB [Brazilian Democratic Movement Party], most of the mayors have their eye on next year's election campaign, when they will need to produce successors and look after their own careers. In that situation, the PT mayors want what their opponents have always wanted: construction projects. And since anyone who wants construction projects needs money, the solution is to form partnerships with businessmen, sell off government property, open up the capital of government-owned firms, and allow private companies to operate services traditionally provided by the state. "Being the opposition is one thing; being the government is something else," says Espirito Santo Governor Vitor Buaiz.

Consortium

Elsewhere besides Quixada, other PT mayors have similar plans. In Ribeirao Preto in Sao Paulo's interior, Antonio Palocci Filho, a 34-year-old physician and former Trotskyite, has just called for bids by consortiums interested in operating the city's sewer system. The winner of that contract will build three treatment plants at a cost of $30 million and be entitled to operate the system for 20 years. Palocci also wants to sell 25 percent of the shares in the Ribeirao Preto Telephone Company (Ceterp), the efficient municipal telecommunications company. The mayor claims that he is not blazing new trails. "I have not become a supporter of privatization or a liberal," says Palocci. "But I feel that the PT must accept the system of concessions and partnerships with private enterprise." The municipal government hopes that selling shares in the telephone company will bring in about 100 million reals—10 times the municipality's entire budget for investments in the city this year.

The story is the same in Londrina in northern Parana, another city governed by the PT. There, Mayor Luiz Eduardo Cheida, a physician like his colleague Palocci, also wants to sell some shares in the municipal telephone company Sercomtel. "I don't feel that the state must have business functions," proclaims 40-year-old Cheida, who hopes to raise about 100 million reals from the operation. Part of the local PT is opposing him. "Cheida has neoliberal thoughts and actions" is the criticism from Municipal Councilor Francisco Roberto Pereira, who has worked for Sercomtel for over 20 years.

Activities by its mayors have always been a headache for the PT, beginning with Luiza Erundina, whose administration in Sao Paulo ended up generating considerable heat within the party. But the situation has now become complicated as FHC begins to lose popularity and the PT wants to regain its momentum as a party oppos-

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ing Planalto Palace. The PT's apparently erratic behavior is due to the thaw in FHC's administration. When Francisco Weffort of the PT obtained a cabinet post, Lula treated him with such reverence that he seemed to be saying farewell to a friend who was going to get the drumstick at a beach picnic. The president of the PT also showed such enthusiasm in his role as "monitor of the program" that he even said that the constitutional reform plan to be implemented by his party would be better than the government's. Lula encouraged the party to draw up amendments to the Constitution that, using the PT vocabulary, were "alternative amendments" to start with and later became simply "amendments." Last week, in response to the eroding popularity of Planalto Palace, the PT decided to get tough.

The members of the National Executive Committee, including Lula, met in Sao Paulo on Monday to discuss the behavior of Genoino, Eduardo Jorge, and Paulo Delgado. Those three, besides being good scouts in support of constitutional reform, had even participated in rounds of negotiations. Eduardo Jorge had even been so reckless as to draw up a proposal of his own for reforming social security, a move that obviously went too far, considering that even Reinhold Stephanes does not know what will happen to his own proposal. There was a general hue and cry at the meeting. Former Deputy Jose Dirceu, the defeated candidate for governor of Sao Paulo, accused Genoino of joining the PT's "dissidence industry." Sao Paulo State Deputy Rui Falcao said that Genoino had become the "fifteenth deputy government leader in Congress." Lula also complained and took the opportunity to grumble about another PT congressman, Jose Fortunati, of Rio Grande do Sul. Lula recalled that in his campaign for the Chamber of Deputies last year, Fortunati had conducted such a moderate campaign that "the only thing lacking was the PSDB symbol on his posters." The proposal to summon the congressmen to explain themselves was put to a vote and approved with nine votes in favor, one abstention, and one opposed.

Obedience

The next day, when he learned of the party's decision, former Deputy Aloizio Mercadante telephoned Genoino. "I didn't know about that decision; I was not present, and I am opposed to it," Mercadante said. Genoino thanked him for his support and told him what he would do: "I am going to appear and render an accounting. But the seat in Congress is mine, and I will not accept censure." To anyone displaying more curiosity, Genoino would repeat one sentence in a threatening tone: "I am not going to fall silent." It is very unlikely that the squabble within the PT will go beyond that war of words. Last week Lula himself announced that the party was not thinking of expelling the three deputies. But from Genoino in particular, he demanded obedience to party decisions. "The party has a position that was decided on by the National Directorate, and all members must support it," he stated.

Genoino's problems are not restricted to the PT. A member of the Radical Democracy faction within the party, the deputy has been losing prestige in a group with which he used to be seen in Brasilia. The participants in that group were two ministers in the current administration (Jose Serra and Nelson Jobim), a deputy who was not reelected (Sigmaringa Seixas), a governor (Mario Covas), Luis Eduardo Magalhaes himself (currently speaker of the Chamber of Deputies), and the current leader of the PDT [Democratic Labor Party], Miro Teixeira. "Genoino is very hard to understand, and we discovered that he would attend our conversations and then use all the ideas as if they were his own," says a member of the former group. Because of that behavior, those colleagues decided that for a certain period they would not invite him to participate in conversations they considered more serious.

Treasury Account Balanced in April

95SM0335B Sao Paulo GAZETA MERCANTIL in Portuguese 9 May 95 p A3

[Article by Ivanir Jose Borfot: "Treasury Cash Ends April in Balance"]

[FBIS Translated Text] Rio de Janeiro—The National Treasury will probably close April with its cash account in equilibrium after expecting for over 20 days of the month that it would show a deficit on the order of 500 million reals [R]. Higher tax collections during the final days of April, a lower outlay for foreign debt service, and the use of monetary correction funds from the Treasury's single account at the Central Bank were some of the factors contributing to that equilibrium.

The secretary of the National Treasury, Murilo Portugal, is expected to announce the cash results before the end of this week. Even with the equilibrium recorded in April—due mainly to the postponement until May of the payment of R1.7 billion in payroll—the Treasury accumulated a deficit of R1.543 billion in its cash account during the first four months of this year.

The cash difficulties throughout April were resolved by the Treasury thanks to a balance of approximately R7 billion in previous years' profits from the Central Bank balance and the Union's monetary remuneration fund. Over the past four years, the balance in that account has ranged from R10 billion to R11 billion. Monetary

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correction alone, plus interest paid on the money in that account between January and March, earned more than R705 million for the Treasury.

On its quarterly balance sheet, which it released yesterday, the Central Bank announced that R1.3 billion had been transferred in remuneration of the Union's accounts. A significant portion of that amount—R595 million—represents remuneration of the money in the compulsory account for vehicles and fuel as established under the Cruzado Plan. That money is, however, being transferred by the Treasury to the special account for the two compulsory deposits at the Central Bank. Those deposits totaled R4.951 billion at the end of March. "That is money that cannot be used for anything," said a source in the Ministry of Finance.

Last month the Treasury used monetary correction on the principal amount of the funds in the special account it maintains at the Central Bank. Remuneration of interest and monetary correction to the fund of R7 billion earned about R230 million for the Treasury. By law, that money can only be used to amortize foreign and domestic debt charges.

The fund balance was also used by the Treasury to solve its temporary cash difficulties during April. Those funds are used whenever the Treasury has a scheduled outlay for a certain day of the month but does not have the tax receipts in hand. Payment is made using money from the special account. When the Treasury collects taxes during the same month, it reimburses the account.

Within the next few days, Portugal is expected to announce the collection of taxes totaling approximately R6.5 billion and an equivalent amount in expenditures. Until 20 April, the Treasury had been working in expectation of revenues of R6 billion and expenditures of R6.5 billion. Personnel costs, which amount to only 30 percent of the April payroll, came to about R1.03 billion. Interest payments on the foreign debt absorbed around R1.7 billion, and revenue transfers to the states and municipalities took another R1.6 billion. The Ministry of Health alone took R550 million in money intended for the hospitals, not to mention payments to defray the cost of running the Union's administrative machinery.

IBGE Reports March Unemployment Increase

95SM0335C Sao Paulo GAZETA MERCANTIL in Portuguese 5-7 May 95 p A5

[Article by Livia Ferrari: "Unemployment Rate Up"]

[FBIS Translated Text] Brasilia—The rate of open unemployment reached 4.42 percent in March, marking a 4-percent increase over February (4.25 percent). All sectors of activity recorded an increase in unemployment levels, the only exception being the building industry (down 8 percent). The rate among men rose more than that among women (5.5 percent compared to 2.2 percent).

Even so, the results for March are quite encouraging when compared to March 1994, a month in which the unemployment level reached 5.9 percent. In this case there was a 25-percent drop in the rate, the highest declines being noted in construction (down 41 percent), the processing industry (down 31 percent), and services (down 22.2 percent). There was also a significant drop in the cumulative unemployment figure for the first quarter of 1995 (4.6 percent) compared to the same period in 1994 (5.6 percent). The rates fell in all sectors of activity, but especially in the processing industry (from 7.02 percent to 4.93 percent) and in construction (from 6.79 percent to 4.79 percent).

The surveys were conducted by the Brazilian Institute of Geography and Statistics (IBGE). They cover six of the country's metropolitan areas: Recife, Salvador, Belo Horizonte, Rio de Janeiro, Sao Paulo, and Porto Alegre.

The increase in the total number of persons unemployed and seeking work (that being the definition of open unemployment) as observed last March in comparison with February was accompanied, however, by a slight increase (0.36 percent) in the number of people actively employed economically. The number of employed people rose in all the metropolitan areas surveyed with the exception of Rio de Janeiro (down 0.8 percent). Recife experienced the most significant increase: 2.5 percent.

Another comparison shows even more significant increases (of 3.69 percent) in the employment level in March 1995 compared to March 1994. That result was due mainly to the processing industry (up 7.98 percent), followed by services (up 4.36 percent). A comparison of the first quarter of this year with the same period last year shows that the average number of employed individuals rose by 3.2 percent (5.6 percent in industry, 3 percent in trade, and 3.9 percent in the service sector).

Economist Shyrlene Ramos de Souza, coordinator of the economic analysis team in the IBGE's Department of Employment and Income, emphasizes, however, that the rise in the number of employed individuals was accompanied by an increase in the number of workers without a signed labor card (up 5.5 percent in March 1995 compared to March 1994) and in the number of self-employed individuals (up 4.1 percent). In the processing industry as well, the rise in the employment rate was due to employees without a signed labor card (up 5 percent) and the self-employed (up 4.65 percent),

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since the number of employed persons with a signed labor card fell by 2 percent.

The average income of employed individuals rose by 2.6 percent between January and February of this year (6 percent in the case of employees without a signed labor card, 2.7 percent in the case of workers with a card, and 1.6 percent in the case of the self-employed). From February 1994 to February 1995, real average income rose by 4.8 percent, the leaders being Sao Paulo (9.5 percent), Recife (6.8 percent), and Porto Alegre (5.9 percent).

Colombia

Ministry Determines U.S. Agents Operating Without Controls

PA0106015395 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 1 Jun 95

[From the "Seven O'Clock Newscast"]

[FBIS Translated Text] After disclosing yesterday that there are differences between the Colombian Foreign Ministry and the U.S. Embassy over the presence of U.S. secret agents in our country, the "Seven O'Clock Newscast" today saw the document that has served as a basis for the Foreign Ministry to determine that DEA, CIA, and FBI agents operating in Colombia are doing so without any control. Here is the confidential report:

First, there is no legal framework in Colombia that authorizes or regulates actions by these agents in the country. Second, there is not even an approximate figure as to the number of agents in Colombia or their activities. Third, even the U.S. Embassy in Colombia does not have absolute control over these agents, who report directly to their bosses in Washington and not to the ambassador. Fourth, the agents handle, for paying informers, important sums of money, vehicles, and weapons without registering with the Colombian Government. Fifth, in many cases the agents come to do specific jobs for only two or three days, after which they leave the country forever. Sixth, the Colombian narcotics police depends to a high degree on the information supplied by the U.S. agents.

In conclusion, the U.S. agents go about our country as if they were in their own living room, without proper control. The question is whether this control can ever exist.

Police Head Discusses Rebel Guerrilla Attack in Capital

PA3105215295 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 31 May 95

[Telephone interview with General (Luis Ernesto Gilibert) by Dario Arizmendi; from "Caracol's 0600 to 0900" newscast — live]

[FBIS Translated Excerpt] [Arizmendi] We have General (Luis Ernesto Gilibert), commander of the Metropolitan Police of Santa Fe de Bogota, on the telephone to discuss the subversive attack on Police Station No. 8 last night in Kennedy neighborhood. Three people were killed and two injured in that attack. Good morning, General.

[(Gilibert]) Good morning, Dario.

[Arizmendi] Was the attack expected?

[(Gilibert]) We had not ruled out the possibility, because guerrillas had been seen in certain areas of Cundinamarca near Santa Fe de Bogota. We never ruled out the possibility that they might attack. Perhaps that is why our men reacted so precisely and swiftly. It is true that two individuals were injured, but the dimension of the attack, the number of men, and the firepower was enough to capture the station. However, the instructions we issued and the training of our men allowed us to promptly repel them.

[Arizmendi] Were any of the subversives killed or injured?

[(Gilibert]) The subversives usually drag off their dead and wounded. Deaths and injuries demoralize the ranks. They try every available means to conceal casualties within their ranks and among the citizenry.

[Arizmendi] Gen. (Gilibert), there are very contradictory reports. Some say that six, 20, and 30 men were involved. This morning, Agent Mora of Station No. 8 said there were 50 men. How many subversives really participated in this attack?

[(Gilibert]) Dario, it is very difficult to determine the number because these actions are swift. Attacks are repelled very quickly. Fire was coming from all sides. Based on the magnitude of the fire and the number of bullets in the station walls, one could estimate that 30 to 50 men participated Three men died in different sectors. [passage omitted]

[Arizmendi] General, it is obvious to the common citizen that the guerrillas are everywhere in the city. There is a feeling of defenselessness prompted by the incident in Kennedy neighborhood last night and by what happened along the highway to Choachi, because it

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seems they erect roadblocks whenever they please. They are trying to occupy Silvania. It this simply a publicity stunt, or have the guerrillas grown so much in Santa Fe de Bogota that they are invading us?

[(Gilibert]) They are seeking publicity; they want center stage because often the same group carries out three or four incursions in various places. They cannot move large groups, thus the same group stationed somewhere near the city carried out all these operations. [passage omitted]

[Arizmendi] Commander, in your opinion, which neighborhoods and sectors are currently the most vulnerable to armed subversive attacks?

[(Gilibert]) Naturally, we are concerned about the Immediate Attention Centers, CAI, located on the outskirts of Ciudad Bolivar. They have been reinforced since last night. We decreed first-degree confinement of troops to their quarters to face this situation, which we understand could be repeated today.

[Arizmendi] What is the purpose of first-degree confinement to quarters?

[(Gilibert]) It is a call on all men to be ready should we need reinforcements. It also allows us to relieve forces to prevent fatigue and to have the greatest number of troops ready for combat or to face a difficult situation. [passage omitted]

Banks 'Fear' Reporting Possible Laundering

95CA0235A Santa Fe de Bogota EL TIEMPO in Spanish 14 May 95 p 20A

[Report by Luz Maria Sierra]

[FBIS Translated Text] A few years ago a well known Swiss banker, an advocate of banking secrecy, described the hunt for illegal fortunes as utopian. In more or less these words, he said: "It is like stopping on a major highway and halting traffic to look for a stolen car."

From that statement until now many things have changed in the world. Pressured by the United States and some European powers, Switzerland and other socalled fiscal paradises have gradually yielded on secrecy and helped in the hunt for and confiscation of illegal funds.

The winds of openness have also reached Colombia. And not only in bills to criminalize money laundering and make the hunt for hot money more viable. Beyond bills and debates, everything indicates that nothing has been as effective as the recent "narcoaccounts" scandal.

"In Colombia," said Minister of Justice Nestor Humberto Martinez, "the banks have to provide information, but up until two weeks ago they certainly had not been doing so."

According to the Prosecutor General's Office, until April of this year no report had been received from any bank warning of possible money laundering. A considerable length of silence, as the decree ordering banks to report transactions considered suspicious based on their volume or characteristics has been in effect since 1993.

A banking system expert and employee confirms this failure and explains it not as negligence, but fear. "Given the corrupt nature of the environment, one can not send reports signed with one's name anywhere, for there are security problems," he said.

"The Prosecutor General's Office has been called directly," he adds. "This has been done on an informal basis, telling them to come look at what is going on here, for making arrangements with them without anonymity is very complicated."

But the truth is that transactions of over 15 billion between March and June 1994 made by four drug trafficking front companies were never reported by the Cali branch of the Banco de Colombia to the Prosecutor General's Office.

Nevertheless, after speaking with officials, investigative organizations, and banking representatives, it is believed that, contrary to what had been happening, information from the banks will now be a vital tool, and will be in the hands of the authorities, to begin to control crimes like drug trafficking.

At one point the 70,000 reports of illicit transactions filed in the United States every year were cited as a comparison. Some people say this figure should be considered in relative terms for Colombia, as over 12,000 banks operate in U.S. cities.

Three to Eight Years in Prison

The "narcoaccounts" scandal may produce some fundamental changes in bank accounts.

To start with, last Thursday [11 May] the Anti-Corruption Statute was virtually approved in Congress. Article 39 and subsequent articles list money laundering as a crime. This means that bank officials could face prison terms of three to eight years if they help to legalize funds from illicit activities. At the present time the laws only contain administrative penalties.

Moreover, for about six weeks the Banking Association has been meeting with Deputy Prosecutor General Adolfo Salamanca. The result will be seen in two weeks

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when an information reporting agreement is signed by the two institutions.

The aim is to create a channel for communications that will give the bankers confidence to report suspicious transactions, as they are required to do by law.

And thirdly, according to the minister of justice, this week a committee to coordinate the state strategy on assets laundering will be created by decree. This high-level group will monitor the crime of legalizing money from illicit activities through the financial system or through sales of merchandise at low prices.

Nobody will now venture to suggest a reliable figure about the amount of drug trafficking money that may be moving in Colombia's financial system.

In an article published early this year, THE ECONOMIST gave a figure it attributed to Colombian economists: it says that the drug cartels during the 1980's allegedly brought into Colombia between $1.5 and $2.5 billion (1.3 and 2.2 trillion pesos). These sums would have increased in the 1990's with economic liberalization, and must somehow have been laundered to enter the legitimate economy.

International investigations show that money from cocaine sales in the United States goes through the Caribbean, Panama, Mexico, and Uruguay (where there is an *offshore* banking system), then goes to European banks (Austria, despite what people had believed, is now stronger on banking secrecy than Switzerland), Asian banks, and returns to its country of origin, like Colombia.

Elite Corps to 'Poke Around' in Banks

An elite group made up of top state institutions will be created this week to 'poke around' in banking information and commercial transactions to monitor the legalization of drug trafficking money.

Minister of Justice Nestor Humberto Martinez Neira said the president is about to sign a decree creating the coordinating committee for the state strategy against money laundering: legalizing money from illicit activities.

What is important, according to Martinez Neira's information, is that Colombia's institutions will have in their hands all the operational mechanisms needed to obtain information and access, down to the most minute detail on each account.

This top-level group will consist of the Ministry of Justice, the Prosecutor General's Office, the Directorate of Taxes and Customs, the Offices of the Superintendents of Banking and Securities, and the Bank of the Republic.

The group will also have a panel of consultants, including the Banking Association and other groups.

Official reports indicate that money laundering in Colombia is not confined only to bank transactions. A great deal of hot money flows through business: for example, top-quality whisky is sold at half price. So this group will not look solely at bank accounts.

Participation in international treaties barely visible now will play an important role. Although its major weapon has been the hemispheric agreement against assets laundering which the Samper government promoted all over the Americas, it is also working on treaties on the other side of the ocean.

Colombia cosponsored the Cairo resolution to create international instruments, and it has asked the Europeans for access to its anti-laundering organization.

Ecuador

Congress President on Demilitarization Counterproposal

PA3105221495 Quito Voz de los Andes in Spanish 1700 GMT 31 May 95

[Report by Luis Fausto Pena from the National Congress; from "The Voz Andes Newscast"]

[FBIS Translated Text] After clarifying that he is not a spokesman for the National Security Council, Ecuadoran Congress President Heinz Moeller said Ecuador's proposal has been sent to the guarantor countries for review. Moeller said he preferred not to reveal the details of the Ecuadoran counterproposal but said it is not (?based) on actions that have to be [words indistinct] in the country.

[Begin Moeller recording] I cannot say that now. I have to bite my tongue, so to speak, so I won't be falsely accused of something. I prefer to remain silent because I think it is best for the country and because [words indistinct]. The one thing I am not going to remain silent about is that our counterproposal does convey the definitive decision of the Ecuadoran people, as represented by their government, armed forces, and National Congress [words indistinct] as it says, not to yield Ecuadoran territory and not to demilitarize Banderas or Coangos. We have already done enough. We do not think it is necessary, except to create an atmosphere of (?detente). We've had enough of what force [words indistinct] definitive is to effectively militarize the zone where the [words indistinct] took place.

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[Reporter] [Words indistinct]

[Moeller] [Words indistinct] searching for a criterion for equality, as it should be. Once again, I would like to reiterate — because there might be a misunderstanding about what I have said, not in our country but abroad — that I am not assuming a responsibility that belongs to the Foreign Ministry. The proposal was really drafted by the armed forces, based on a criteria [words indistinct] of military technique or strategy, which is clear. Someone said the broader the demilitarized zone [words indistinct] the detachments, the smaller the possibility for incidents. This makes some sense. [end recording]

You have just heard Congress President Heinz Moeller, who was commenting on the counterproposal Ecuador has presented to the guarantor countries.

Defense Minister To Resign To Become Candidate

PA0106042695 Quito Voz de los Andes in Spanish 1700 GMT 31 May 95

[From the "Voz Andes Newscast"]

[FBIS Translated Text] Ecuadoran Defense Minister General Jose Gallardo Roman will reportedly resign in mid-June to become a presidential candidate. A REUTER report published by the Quito daily EL COMERCIO states that Gallardo will resign between the 15th and 19th of June and will run as an independent candidate. Gallardo has held that position since 1992, when Sixto Duran-Ballen became president. The newspaper has stated that Gallardo's voluntary resignation from the military cabinet could cause a readjustment in upper military echelons. The presidential elections will take place in 1996.

Paraguay

U.S. Embassy Pressure Said Applied in Lebanese Case

PY0106014695 Buenos Aires LA NACION in Spanish 30 May 95 p 15

[Article by special correspondent Mario Perez Colman — Lebanese citizens' names as published]

[FBIS Translated Text] Asuncion — The sentence handed down by Criminal Court Justice Jose Emilio Yaluk, which approves the extradition of the Lebanese citizen Mohamad Hassan Alayan and six other Lebanese citizens, will not be appealed. The extradition was requested on 24 February by the Argentine Federal Courts and pertains to the crimes of stockpiling of explosives and combat weapons on an island in the Tigre River delta, according to the sentence handed down by the Paraguayan judge.

The sentence also establishes the fact that in this case the statute of limitations is not applicable, in accordance with Argentine penal laws.

Judge Yaluk's sentence will be considered as accepted and definitive three weekdays, as of today, after the withdrawal of the appeal.

At that time, the judge and the Argentine Consulate will set the date of the extradition that affects the aforementioned Alayan and Roberto Ribeiro Ruiz, Valdirene Vieira Ferguglia, Luis Alberto Nader, Johnny Moraes Baalbaky, Sergio Rodrigo Salem, and Fadi Abdul Karim Chekair, several of whom are Brazilians but nationalized Lebanese.

The lawyers of these persons had timely appealed the extradition, but the attorney general counseled Judge Yaluk to approve the extradition that had been requested by Argentina.

Prior to the handing down of the extradition sentence, rumors had circulated to the effect that the fundamentalist and terrorist group Hizballah had deposited in a bank nearly $1 million that was to be paid to the person or persons who could prevent the extradition of the Lebanese arrested in Paraguay.

There were other rumors indicating that Judge Yaluk had received death threats. However, these rumors were denied by the judge, who asked that his decision or ruling be awaited because, he said, it will demonstrate "to the people what kind of a judge I am."

Other rumors indicated that the court had been subject to the application of very strong pressure by the U.S. Embassy, which sought a sentence favoring the extradition of the Lebanese.

The Lebanese made it known on 29 May that they were willing to accept extradition in order to demonstrate their innocence in Argentina.

Local sources have speculated about the possibility that the seven Lebanese, who were arrested here on drug charges, had withdrawn their appeal because it is their belief that they would have received harsher punishment in Paraguay than in Argentina.

Peru

Congress Approves New Political Parties Law

PY3105225395 Lima LA REPUBLICA in Spanish 12 May 95 p 6

[FBIS Translated Excerpt] The official majority in the Democratic Constituent Congress last night approved the Political Parties Law on the basis of an alternate

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project submitted as a bill by congresswoman Martha Chavez Cossio. The new law removes those well-known parties and groups that did not get 4 percent of the 12 million electorates in the latest elections from the political scene. They are also excluded from participating from the upcoming municipal elections.

The new law states that those political parties that failed to get enough votes in the 9 April elections, as well as new parties that may emerge in the future, must present 500,000 signatures to be registered.

Among the parties or alliances affected by the new law are the Popular Action and the United Left which did not get 4 percent in the latest general elections. [passage omitted]

Opposition Rejects Electoral Reform Approved by Congress

PY3105232695 Lima LA REPUBLICA in Spanish 14 May 95 pp 22, 23

[FBIS Translated Excerpt] Opposition leaders and newly elected members of the Democratic Constituent Congress rejected yesterday the reforms of the Electoral Law approved by the congressional government majority. According to the new regulation, the political parties that want to participate in the next elections must have obtained 4 percent of the votes, or secure 500,000 signatures.

The reactions were obtained by LA REPUBLICA 24 hours after the credentials were presented to the newly elected congressmen at the National Election Board yesterday.

Many of the newly elected congressmen learned about the reform when the official gazette EL PERUANO published the law that makes important changes in the single text of the law for general and municipal elections.

The official gazette also published the call for electing mayors and councilmen for provinces and districts on 12 November 1995.

The newly elected opposition congressmen said the reform is antidemocratic, an abuse of power, and an arrogant position that seeks to abolish political parties in order to have a "Mexican"-style government in which some kind of PRI [Institutional Revolutionary Party] would prevail.

Carlos Chipoco, new congressmen of the Union for Peru Movement, said the reform is "an affront to democracy," and that his bloc will meet in the next few hours to convey to the country his party's clear and institutional position. [passage omitted]

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